OFFICIAL REPORT
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Rural Economy and Connectivity Committee

Wednesday 9 May 2018

Session 5

The Scottish Parliament
Pàrlamaid na h-Alba

Wednesday 9 May 2018

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RURAL ECONOMY AND CONNECTIVITY COMMITTEE
14th Meeting 2018, Session 5

CONVENER

*Edward Mountain (Highlands and Islands) (Con)

DEPUTY CONVENER

*Gail Ross (Caithness, Sutherland and Ross) (SNP)

COMMITTEE MEMBERS

*Peter Chapman (North East Scotland) (Con)
*John Finnie (Highlands and Islands) (Green)
*Kate Forbes (Skye, Lochaber and Badenoch) (SNP)
*Jamie Greene (West Scotland) (Con)
*Richard Lyle (Uddingston and Bellshill) (SNP)
*John Mason (Glasgow Shettleston) (SNP)
*Mike Rumbles (North East Scotland) (LD)
*Colin Smyth (South Scotland) (Lab)
*Stewart Stevenson (Banffshire and Buchan Coast) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Charles Allan (Scottish Government)
Donald Cameron (Highlands and Islands) (Con)
Graeme Dey (Angus South) (SNP)
David Dickson (ScotRail Alliance)
Fergus Ewing (Cabinet Secretary for Rural Economy and Connectivity)
Alex Hynes (ScotRail Alliance)
Alastair Mitchell (Scottish Government)
Mike Palmer (Scottish Government)
Angus Thom (ScotRail Alliance)

CLERK TO THE COMMITTEE

Steve Farrell

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament

Rural Economy and Connectivity Committee

Wednesday 9 May 2018

[The Convener opened the meeting at 09:03]

Decision on Taking Business in Private

The Convener (Edward Mountain): Good morning and welcome to the 14th meeting in 2018 of the Rural Economy and Connectivity Committee. I ask everyone to make sure that their mobile phones are on silent. Apologies have been received from Jamie Greene, who hopes to join us as soon as he can.

Agenda item 1 is a decision on taking business in private. Do members agree to take in private item 5, which relates to the evidence heard to date on salmon farming in Scotland?

Members *indicated agreement.*

Rail Services

09:03

The Convener: Item 2 is on rail services in Scotland. I invite members of the committee to declare any relevant interests.

Gail Ross (Caithness, Sutherland and Ross) (SNP): I am honorary vice-president of the Friends of the Far North Line.

John Mason (Glasgow Shettleston) (SNP): I co-convene the cross-party group on rail.

Stewart Stevenson (Banffshire and Buchan Coast) (SNP): I am honorary president of the Scottish Association for Public Transport and honorary vice-president of Railfuture UK.

John Finnie (Highlands and Islands) (Green): I am a member of the cross-party group on rail and the National Union of Rail, Maritime and Transport Workers parliamentary group.

The Convener: Thank you. This evidence session is part of a regular update from the ScotRail Alliance to allow the committee to monitor rail issues. I welcome from the ScotRail Alliance: Alex Hynes, the managing director; Angus Thom, the chief operating officer; and David Dickson, the infrastructure director. Alex, would you like to make a short opening statement before we go on to questions?

Alex Hynes (ScotRail Alliance): Thank you, and good morning. I am pleased to be here again to update the committee on progress with Scotland's railways since our last evidence session, which was in November.

As you know, our mission at Scotland's railway is to deliver the best railway that Scotland has ever had, and we will deliver that through the introduction of new trains, faster journeys, more seats and more services for the whole country. This year, we will deliver the largest-ever capital investment in a single year in Scotland's railway—£900 million. Delivering an investment programme on that scale while delivering a safe, clean and reliable service to our customers every day is not without challenge. Thanks to the hard work of the 7,500 people who work across the ScotRail Alliance, we remain in the top spot among the large operators in the United Kingdom for both punctuality and service quality.

However, as we know, it is not only the numbers that matter. The experience that our customers receive needs to reflect the high standards demanded of us and that we set ourselves. It was for that reason that, last year, I commissioned an independent review of train service performance. The review has made 20 recommendations, all of

which we have accepted, and we are in the process of implementing them. One of the recommendations, and the first to be implemented in full, is to change our policy on skip-stopping. Although that is an effective service recovery method, we recognise that it was unpopular with customers. We have already delivered a dramatic reduction in the number of skipped stops—a 70 per cent reduction in the past four weeks—with a corresponding reduction in the number of customer complaints.

The ability of customers to get a seat—primarily, but not exclusively, in the peak period—is another area of focus for us. While we wait for Hitachi to finalise the testing of our brand new fleet, we have hired a fleet of electric trains to help restore the capacity that we lost earlier in the year and to provide more comfortable journeys for our customers as we enter the busy summer period. Driver training started this week, and those trains will enter service in July. In the coming months, customers can look forward to the introduction of those brand new Hitachi trains, iconic high-speed trains that will recreate a genuine intercity rail network for Scotland and modernised trains with free power and free wi-fi, all of which will transform the quality and capacity of Scotland's railway to help drive jobs, growth and quality of life across the country.

The Convener: Thank you. I will start with a question for Alex Hynes. In the first three months of 2018, ScotRail missed the targets in 22 out of the 34 areas. It has been reported that that has resulted in £1.6 million-worth of fines, which is nearly £400,000 more than in the previous quarter. Would you care to comment on those figures?

Alex Hynes: Of course. As part of the franchise agreement, we have signed up to the service quality incentive regime, or SQUIRE. That is the toughest regime anywhere across the UK, and it is because of that regime that we have the highest satisfaction level of any of the large operators in the UK. However, it is fair to say that our performance against the standards that are set out in that regime could be better, and we are working really hard to improve our performance in that area. Some of that relates to resourcing, and we have action plans in place to remedy some of the issues in order to improve our performance against those quality standards. It is worth saying that any funds that are generated by the regime are reinvested in further improving the quality of the rail services that we deliver.

Mike Rumbles (North East Scotland) (LD): I raised this matter in the chamber yesterday. Thank you for the information that you have given us. It strikes me that that information is very positive, but it does not address the issues that the convener raised about the 22 out of 34 areas. I wonder whether we are looking at the same statistics, because the picture can depend on which statistic is picked out. Would it not be fairer and easier if we all looked at the whole thing in the round to get an accurate picture, rather than people looking at either all the problems or all the success? I know that it is your job to be positive and give us the positive information, but I am more interested in making sure that we get accurate information.

Alex Hynes: From my perspective, the people who should judge how well Scotland's railway is performing are its customers. That is why the national rail passenger survey is so important to us. We get that data on a six-monthly basis, and that places us in top spot among the large operators.

We have just had a question about SQUIRE, which covers all the softer factors of our services: whether the trains are clean, whether the service is working and whether we are delivering great service. It was the recent statistics that we have discussed.

The recent information that we have put out relates to train service punctuality, which is measured by the public performance measure. Did the train run? Did it call at all its scheduled stops? Did it arrive within four minutes and 59 seconds of the scheduled arrival time? That is the PPM. In the most recent period, we delivered a result of 92 per cent, which was a good result and was the highest level since September last year.

Most notably, we have changed our policy on service recovery, in essence, to stop the use of skip-stopping. That makes the delivery of the punctuality target that bit harder because, when the railway is disrupted, it takes us longer to get it back to plan. However, it is better for those customers who are impacted. There has been a massive reduction in the number of skipped stops and a corresponding reduction in the level of customer complaints that we have received.

Mike Rumbles: Skip-stopping is a real issue, and I am glad that it is being addressed, but I would not want us to go back to the previous situation. The issue of skip-stopping has hit the political agenda, and you are addressing it. Can we be assured that things will stay the way that you have organised them?

Alex Hynes: Absolutely. The Donovan review, which I commissioned, made 20 recommendations, and skip-stopping was the subject of one of them. We have implemented that recommendation in full, and all the other 19 are in flight. We are not going back.

Mike Rumbles: Can I ask one more question, convener?

The Convener: I would like to bring in Peter Chapman on skip-stopping, but I am happy for you to ask another question.

Mike Rumbles: My other question is to do with the £1.6 million in charges. Some people call them fines and some call them charges. First, is that figure accurate? Secondly, if the improvements have happened, why is there such a high level of charge?

Alex Hynes: One reason why the penalties are so large is that the regime is really tough. The Scottish Government sets very high standards for the Scottish rail network, and that is why we are in top spot in the UK for punctuality and service quality. It is fair to say that our performance against that regime could be better, and it will be better. We have strong recovery plans, and we are taking steps to get the size of the penalties down.

The Convener: I will bring in Peter Chapman, although his question is not on what I said he was going to ask about; it is on what I knew he was going to ask about.

Peter Chapman (North East Scotland) (Con): Thank you, convener. Good morning, gentlemen.

Alex Hynes has mentioned that the £1.6 million fine goes into the SQUIRE fund. I want to examine a wee bit more how you intend to use that fund, which is useful. In the recent past, the SQUIRE fund was used to give rebates on tickets, for instance. We do not think that that is necessarily the correct way to use the fund, although that was possibly a directive from the Scottish Government.

The SQUIRE fund concerns a long list of stuff. On stations, closed-circuit television and security, we seem to have fallen behind where we would like to be. Litter and contamination is another area where the level is below what we would like it to be, and you also seem to be missing the target on train seats and toilets. How are you planning to use the extra fund to make the passenger experience better?

Alex Hynes: We build up the fund, which we spend on improving the railway, and we agree with Transport Scotland how we are going to spend the money. I can give you some recent examples of the initiatives that we have funded through the SQUIRE fund. We have invested £300,000 in body cameras for our people, to help provide a safer and more secure environment for customers and staff. We are in the process of upgrading the waiting rooms of the stations that serve the Edinburgh to Glasgow line, as we prepare for the introduction of the new trains. We are looking to ensure that all the stations on the far north line are fitted with real-time customer information. Those are the sort of things that we spend the money on.

09:15

Clearly, we always listen to, and engage with, what our customers say to us, and we have a pot of money, over and above the investment that we are already making in the franchise, that we can spend to make things better. This year, we are spending £1 billion on capital investment in Scotland's railways. In a short period, we are spending about £2 billion on the enhancement of the railways—£1.5 billion on infrastructure and £0.5 billion on new trains. All of that is in addition to the money that we are spending anyway.

The Convener: Having looked at the rules and regulations for the SQUIRE fund, I understand that it is up to ScotRail to put its recommendations to the Scottish Government on how the fund should be used. Following the committee session, could you give a list of recommendations or proposals for the use of the SQUIRE fund that you have made to the Government in the past three months?

Alex Hynes: Yes, of course—I am happy to do so.

Colin Smyth (South Scotland) (Lab): Good morning, panel. The reality is that the SQUIRE performance figures show that there has been a fall in performance. The figures that have just been mentioned show that you met 12 of the targets in quarter 4 in 2017-18. That is compared to meeting 15 of the targets in the same quarter in 2016-17, and 19 in the same quarter in 2015-16. Performance is not improving but falling. Alex Hynes said in his opening comments that the most important people are the passengers, which is true. Behind those figures are passengers who are paying increasingly higher fares for a service that is in decline. Do you think that you owe passengers an apology for the fall in performance?

Alex Hynes: SQUIRE is not measured by customers; it is a key performance indicator regime that is measured by Transport Scotland SQUIRE inspectors.

Colin Smyth: I am aware of that, but it is the passengers who are using the trains that are not clean enough and the stations that are not up to the high standard, based on the SQUIRE performance. Ultimately, it is passengers who suffer.

Alex Hynes: That is why customer perception is important. According to the national rail passenger survey, there is an 85 per cent satisfaction rate among rail passengers in Scotland, which is up from the year before. We are in the top spot among the large operators. Can we do better? Will we do better? Absolutely.

Colin Smyth: So you do not think that the SQUIRE figures are important. One of the most important parts of the report relates to figures on CCTV cameras. The figures for the latest quarter show that there was a performance of 77.8 per cent compared with a target of 95 per cent, which is the worst performance since Abellio took over the franchise. The figure is 10 per cent lower than the figure for this time last year. There has been a fall in performance on CCTV and security in stations in the past three quarters. Is that in any way linked to staffing levels in stations with CCTV?

Alex Hynes: No. The changes that we are making to our customer information and security centres are all designed to improve customer information. A big area of focus for us is passenger information during delays. We want to improve the speed, accuracy and timeliness of information. The two issues are not related to one another.

Colin Smyth: The question was specifically on your performance on CCTV and security in stations. The SQUIRE figures show that performance was at 77.8 per cent, compared with a target of 95 per cent, which is the worst figure since the franchise was given to Abellio, and which is 10 per cent lower than the figure for this time last year. There has been a fall in the SQUIRE figures on CCTV and security in stations in the past three quarters, but you think that that is in no way related to the cuts to staffing levels in stations with CCTV.

Alex Hynes: Correct. However, that is not to say that we do not need to improve our performance in that area.

The Convener: I am sorry—I have members queueing up to ask questions.

Stewart Stevenson: I have a quick question on train refreshment. I spend 12 hours a week on ScotRail trains, so I take a particular interest in that subject. Satisfaction with train refreshment is at 91.5 per cent, and the target is 95 per cent. Are any steps being taken to improve that? Will the introduction of the high-speed trains change the food offering?

The Convener: Can we have a brief answer, please?

Alex Hynes: Yes, of course.

The food and drink offer on board is a really important part of the customer experience and the contract. We are working to ensure that we are at the full complement of staff in that area, so I am expecting an improvement there. Obviously, the introduction of the high-speed trains enables us to have an improved food and drink offer that we currently cannot deliver from a trolley-based service. We have some really exciting plans for the intercity food offer, enabled by the fact that we have a small kitchen on board. We can therefore offer hot food for the first time.

Richard Lyle (Uddingston and Bellshill) (SNP): SQUIRE involves independent inspectors. Does Alex Hynes agree that some of the things on the performance figures list should not be there? I was astounded to see “Station Posters”, “Car Parks and Taxi Ranks” and “Train Posters” on the list.

Alex Hynes: It is up to Transport Scotland to decide what it wants us to deliver, and that is what it has done.

Richard Lyle: So what do you deliver in a car park and a taxi rank?

Alex Hynes: We have to consider whether white-lining and signage are in place. We also have to assess whether car parks and taxi ranks are clean and pothole free. Every single aspect of the service gets measured to a huge degree, but that is a good thing and is what underpins the quality delivered by Scotland’s railway.

Richard Lyle: I thought that I would ask.

The Convener: I am going to leave that there and move on to the next set of questions, which come from John Mason.

John Mason: I have a couple of questions about the infrastructure and rolling stock for the Edinburgh to Glasgow improvement programme. First, am I right in saying that the infrastructure is complete now except for Glasgow Queen Street station? Can you tell us how you are getting on with the work on the station? A constituent came to me about an issue, which was subsequently in the newspapers, to do with a partly built building that might be demolished and replaced by something else. Can you comment on that?

Alex Hynes: Yes, of course. It is true to say that since December the core of the electrification of the Edinburgh to Glasgow route has been completed and customers have been benefiting from faster, greener and longer trains on that route. Our services are not fully electric yet, which is why we need to finalise the testing of the Hitachi fleet so that we can convert that route to a fully electric operation that will enable us to cut the journey time even further and increase the number of seats.

On the redevelopment of Queen Street station, we are now on site. It is literally a building site, and we are keeping the station open at the same time. We have nibbled away the 1970s building on the front of George Square to reveal the grade A listed shed.

The construction that your constituent asked about relates to a retail development on the North Hanover Street site, which is just to the east of the station. The Scottish Government has recently taken a decision to go for a much bolder and more ambitious scheme for that site and, as a result, a small amount of work that is being done on that site will have to be changed.

John Mason: What is the date for the completion of the work on Queen Street station?

Alex Hynes: It is 2020.

John Mason: That is fine. Perhaps you can give us an update on where you are with the rolling stock. We understand that there have been problems with windows or windscreens, so I would be interested to hear how that is going. I think that the commitment at the moment is to eight-car trains and a 42-minute journey—at least for some journeys—by the end of this year. Are we still on course for that?

Alex Hynes: Yes. There are two outstanding issues with the Hitachi trains: one is the windscreen and the other is the train's software. During the testing programme, we uncovered an issue with the windscreen that saw some slight double imaging at night, which is clearly a safety issue. Hitachi has been working with its windscreen suppliers on an alternative design. That alternatively designed windscreen is being fitted to a train this week and we will then bring the train to Scotland and retest it. However, the initial indications are that the new windscreen is much better than its predecessor, which will enable us to do a campaign of windscreen replacement.

John Mason: Can I press you on that point? Hitachi has been making trains for a long time and this is not a new thing, so why has it become a problem?

Alex Hynes: It is a new train design. It is not an off-the-shelf train. It has been designed for us and for Scotland. The train has some particular design characteristics that mean that it has ended up with a curved windscreen. For example, the trains have what are known as end gangways, which allow customers and staff to walk through the entire length of the train when the carriages are coupled together.

That is the point of having a testing regime. Every single aspect of the train is tested. We test the design of the train, but we also test each train individually to ensure that it is fit for purpose before we put it into traffic for customers.

Software is the other issue. We are reducing the number of outstanding software issues, so that the software is reliable enough to enter into passenger service. We expect to introduce the Hitachi trains in the coming months.

We would like to deliver 42-minute journeys on the brand new electric trains for this December. Not every service will be 42 minutes this December—that comes the following year—but that is our aspiration. Clearly, that is dependent on our having the rolling stock from Hitachi to deliver it.

John Mason: For clarification, the 42-minute journey includes how many stops?

Alex Hynes: Four, and trains are doing that under test already. It is my aspiration that we do some line speed enhancement on that route, to cut the journey time even further, because those brand new electric trains reach 100mph in half the time of a diesel train and the drivers are having to throttle back—so the train performance is outstripping that of the infrastructure. I say, let us be bold and ambitious and see what can be done to exploit the full performance of the train, because it is impressive.

Stewart Stevenson: As part of the re-equipping of the rail system, you have released a lot of class 170s, so there are now a number of short-formed units. Roughly, how many of those are there?

Alex Hynes: We have recently lost six trains from the fleet. That is why we have hired a fleet of 10 electric trains, which will go into service in July. Essentially, four critical daily services that used to be six-car trains are now three-car trains. That is causing crowding for our customers, and we need to fix that quickly. The four critical services are morning and evening peak trains into Edinburgh and Glasgow and we must fix that as soon as we can.

Stewart Stevenson: I take it that the six class 170s that have been taken out have taken 36 carriages out. How many coaches do the 10 class 365s bring in?

Alex Hynes: Two two-car 158s have left the fleet and four three-car 170s have left the fleet. We have been doing some work with our heavy maintenance programme to squeeze the availability of the fleet so that we reduce the impact of that by a net two cars. The 10 trains that we are bringing in on short-term hire are electric trains and they are four-car trains.

Stewart Stevenson: My arithmetic says that, leaving aside the better exploitation of what you have got by changing the maintenance arrangements, you have taken 16 carriages out and you are bringing 40 in.

Alex Hynes: Yes. The short-term hires will more than replace the capacity that we lost earlier this year.

Stewart Stevenson: That is fine.

On another point, in an attempt to redistribute the traffic, you have introduced lower fares on the Edinburgh to Glasgow via Airdrie line. How successful has that been?

Alex Hynes: It has been very successful, because customers have benefited from the lower fare. We implemented that in March to encourage customers who might have a choice of travelling between Edinburgh and Glasgow to take the Airdrie to Bathgate route, so that we could decongest the main Edinburgh to Glasgow via Falkirk High route. It is costing us a lot of money but it was the right thing to do for customers.

09:30

Peter Chapman: Once you get the new Hitachi trains in place, trains will be moved in various ways. The old InterCity 125s are being upgraded and will, I believe, go back into service on the Aberdeen to Edinburgh line from May 2018. Is that correct? How is that coming along? Given that it is May already, is it going to happen on time? Can you tell us a wee bit about how the refurbishment of those trains is going?

Alex Hynes: The contractual commitment date for the first high-speed train is June. We are working hard with the heavy overhauler who is refurbishing the fleet in Doncaster to bring the train up to Scotland as soon as possible, so that we can start to operate preview services for customers. I think that it is fair to say that the project has been a challenge. We are working closely with the overhauler to get the train here as soon as we can.

The trains, which have come from First Great Western, will be thoroughly refurbished. We are going to improve the quality of the seating and the seat pitch—we will line seats up with windows and introduce more tables. I have talked about the hot food offer. We are going to transform the quality and capacity of the longer-distance routes. Three-and-a-half-hour journeys will switch from a three-car diesel train to a four-car or five-car intercity train with the engines at each end, which will provide intercity levels of quality and transform the customer experience on longer-distance routes. We hope to introduce the first service between Aberdeen and Edinburgh very shortly. It is unlikely to be this month, as there have been some short delays with the heavy overhauler, but we are working as fast as we can to remedy the situation. Angus Thom might want to add something on the high-speed train programme.

Angus Thom (ScotRail Alliance): As Alex Hynes mentioned, there will be a full refurbishment of the interiors and exteriors of the InterCity 125s, or HSTs. For example, all-access toilets are being fitted. A big change is that the trains will no longer be fitted with slam doors as they were under First Great Western. We are fitting new electrically operated doors to the trains, which is better for passengers and for our dispatch times. The trains are getting a comprehensive overhaul before they come up here. The mark 3 coach is an open space with a nice open feel, which will provide a better environment for customers who are travelling between Scotland's major cities.

Peter Chapman: You have described the internal changes, which sound fine, but what about the mechanical aspect? Those trains have been on the go for a long time. Will they get a mechanical overhaul at the same time? Is that part of the process?

Angus Thom: Part of the process will involve replacing some of the components. Many of the trains are going through major heavy maintenance programmes and overhaul in addition to the internal refurbishment. The engines are less than 10 years old—they are not 40-year-old engines, as the trains were re-engined a few years ago, and the replacement engine is fairly reliable. There is more to the process than simply a refresh of the interiors.

For several months, we have been running four driver-training trains across Scotland without problems or incident. Those trains have not necessarily had the full refurbishment, but they are operating in Scotland to train our drivers and train crew.

The Convener: I would like some clarity. Alex Hynes said that the date is unlikely to be May. It is already May. Is it unlikely to be June and more likely to be July, or is it more likely to be June than July? Is it likely to be this summer? Do you have a date?

Alex Hynes: I am not in a position to give a firm date, because we are still working with Wabtec Rail—the company that is doing the heavy overhaul—to ensure that we have a robust plan to deliver the first refurbished train in Scotland. Originally, we wanted to go above and beyond the contractual date of June to deliver something for the timetable change in May. Sadly, that now looks unlikely, but we are working with Wabtec to bring in the first refurbished train as soon as we can. I cannot make a firm commitment—

The Convener: With the greatest respect, you will have had an indication of when the delivery is going to take place. I am trying to get an indication from you of when that will be. It would be helpful for the passengers who use the service to have an idea of the date, so I would like you to try to answer the question with a bit more certainty than you have already given.

Alex Hynes: It is my aspiration that we put the first train into service in July, but that is contingent

on the heavy overhauler producing a fully refurbished train.

The Convener: The aspiration is for July. Does that mean that it is likely to be August? We will leave it there and move on to the next question.

Richard Lyle: I always say that it will be ready when it is ready.

I want to talk about the rolling programme of electrification. I have a declaration to make: I stay right beside the Holytown junction. When will the electrification from Holytown to the Midcalder junction be finished? Can you give us a progress update on the Shotts line electrification project? Have all the bridges been raised?

Alex Hynes: The deadline for that project is March 2019. It is on time and on budget. We learned a lot of lessons from the electrification of the Edinburgh to Glasgow line, which we have applied to the electrification of the Shotts line—that is what we call your line—as well as the electrification of the Stirling, Dunblane and Alloa line. The first section of Stirling, Dunblane and Alloa electrification is being switched on as we speak, which is a really good news story.

I am not aware of any outstanding issues with the bridges being raised. Perhaps David Dickson has more detail on that.

David Dickson (ScotRail Alliance): I am not aware of any issues, either. We can easily clarify that after the meeting.

Richard Lyle: So it has all gone well.

Alex Hynes: From an infrastructure perspective, the enhancement programme in Scotland is going very well indeed. From the rolling programme of electrification of the Aberdeen to Inverness line and the Highland main line improvements to redevelopment of Queen Street station, the deadlines for all those projects are due to be delivered within the overall funding envelope.

Richard Lyle: Is there any hold-up from Network Rail? Is it working well with you on electrification?

Alex Hynes: Together, we are an alliance—ScotRail and Network Rail work together. The closeness of that relationship, running track and train together, is one reason why Scotland's railway outperforms that of south of the border.

Richard Lyle: I agree.

John Finnie: Mr Hynes, I will ask a question about the Highland main line that contains a reference to timetabling. If you do not go into it too deeply, I will ask a supplementary question specifically on timetabling.

My question is on the suggestion by the Network Rail monitor at the Office of Rail and Road that there is a risk to the delivery of the Highland main line improvements due to the lengthy timetabling process. I need not remind you, but, for the *Official Report,* there is a prediction of a reduction in journey times of 10 minutes, hourly services to the central belt and a challenging and more efficient use of freight. Will those things be delivered?

Alex Hynes: The Highland main line infrastructure will be delivered and will improve the service on that line. We are not able to absolutely confirm the exact journey time, the stopping pattern or the frequency of the service on that line of route, because we need to check how the trains are pathed, particularly for freight. That is why we are currently conducting a consultation about the possible timetable on that line of route. The infrastructure is on time and on budget, and we are undertaking a consultation about the fine detail of the train service that we can operate on the infrastructure once it is complete.

John Finnie: Thank you for that answer. I was in touch with your staff, and I am grateful to them for their response on the issue—which is of concern to me, Kate Forbes and other colleagues—of the implications of the tension between the aspiration to reduce journey times and the expectations of communities that they will benefit. The journey times might be brought about by a reduced number of stops—how will that fit together? I am aware that there is on-going consultation, which is welcome, but there is a tension there. How can it be delivered?

I will give you the specifics in the reply that I received, but I will not go into the detail. An average of four people per day would board that particular train, and your staff estimate that, each day, 350 to 400 people would be adversely affected later on. Will it always be a numbers game? The fear that we have in the Highlands is that the larger numbers affected would impact on the service.

Alex Hynes: We need to strike the right balance between frequency and journey times, which is not always easy, particularly on infrastructure that is constrained by single-track sections, for example. That is one reason why we are investing a lot of money to take single-track sections out of Scotland's railway. They compromise the ability to provide a great train service.

Over the years, we have seen the timetable evolve. In the consultation, we are saying that the introduction of high-speed trains gives us an opportunity to review what we might do to exploit their capability. The train fleet is getting bigger—the number of carriages in the fleet is increasing from 800 to 1,000 in the next 18 months—and that

will enable us to operate high-speed services between the Highlands and the central belt with faster journey times. Because we will have more carriages, we will also be able to operate more semi-fast services. That is a change, and we need to get it right, which is why the consultation is important.

John Finnie: Any improvements are welcome, but there has been a reduction in the initial proposal to see additional double tracking at Aviemore and Pitlochry. Does that impact in any way on the overall aim of reducing journey times or, indeed, on the frequency of trains? I understand that the original proposal was more doubling.

Alex Hynes: No, I do not believe so. Timetables are very complicated things. It is not just ScotRail services that we have to accommodate; other operators' train services and freight also have to be accommodated. It is inevitable that the timetable process means that compromises have to be made. That is why we are carrying out the consultation. If your constituents have any concerns in that regard, I encourage them to take part in that consultation and make their voices heard. We will come up with the best proposal that balances the competing priorities.

John Finnie: I have a couple of final questions about the Highland main line. Increasing freight on it is a challenge, and I understand that it is pretty much at capacity as it is. Can that increase be achieved? Are you in consultation with the freight companies?

Alex Hynes: Obviously, we want Scotland's railway to have more freight services. Freight in Scotland is down by 80 per cent because the Longannet coal-fired power station was closed. That means that we have some capacity on the network that we can use for the markets, so we are working with business and the Scottish Government to develop new markets for rail freight. A specific opportunity on that line is to work with Highland Spring to get its produce on rail. That looks like a really good prospect that would be great for freight on rail in Scotland, but it would, of course, add to the capacity issue.

The Convener: You should ask your final question, Mr Finnie.

John Finnie: I will roll two questions together, convener. When will the consultation process finish? Will you give a brief update on the Inverness to Aberdeen project, please? Are there similar challenges there?

Alex Hynes: The consultation is live. I do not have an end date for it, but I can confirm that to the committee later.

The Aberdeen to Inverness project is on time and on budget—the figure is £330 million—to improve the train service between Aberdeen and Inverness and the train services into Aberdeen and into Inverness so that there are really great commuter services to allow people to access employment. We have completed the west end works—the track, the signalling and the new station at Forres, for example—and we have moved to the east end of the route. There is a 14-week closure of the line between Dyce and Aberdeen to enable us to deliver the work as quickly as we can.

We conducted a consultation with the communities on that line in which we asked whether they would like us to deliver the project over three years, in the evenings and at weekends, with a number of shorter closures, or whether they would prefer two bigger-bang engineering closures. They very clearly chose the latter, and that work is therefore being done during the 14-week blockade that has just started.

John Finnie: Thank you very much.

The Convener: That was quite a full answer, but I would be happy to let you back in, John.

09:45

John Finnie: People might get used to using their car or another alternative during those 14 weeks. How will you promote the reuse of the train service after that period? I appreciate that you are introducing an enhanced service, but is promoting the service part of the programme?

Alex Hynes: Yes, it will be. We are doing more and better marketing than we have ever done, and restimulating demand for rail travel is a key part of that. We have learned a lot of lessons about how to do that, following the Queen Street closure, and we will apply those in this case.

Stewart Stevenson: I congratulate you, because my Huntly to Linlithgow journey—even with a bus for part of it—has lengthened by only two minutes. That is a masterclass in how to do the scheduling.

Alex Hynes: Thank you.

The Convener: I will leave that one there. Kate Forbes has a question.

Kate Forbes (Skye, Lochaber and Badenoch) (SNP): I hope that this will be another masterclass. Moving over to the west coast, and further to John Finnie's questions, I have a question on the west Highland line. I understand that you are members of the new west Highland line review group, which will look at timetabling, other improvements to infrastructure and getting more investment into the line. Obviously, there is a

great opportunity to get cars and freight off the A82 and a huge potential for tourists who want to see iconic sites along the west Highland route. What are your plans for improvements to timetables and infrastructure on the line?

Alex Hynes: The first thing that we will do is improve the quality of the rolling stock on that line. The train for the fleet that currently operates on the line is called the class 156 and it is a diesel train. We are thoroughly refurbishing that fleet, and we will have completed that investment programme by the end of next year. The trains will have new lighting, new seating, free wi-fi, power and so on in order to create a thoroughly comfortable and modern environment.

We are doing some work to see what infrastructure changes we would need to make on the west Highland line in order to operate a different type of rolling stock, called the class 158, on the line. The additional benefit of that class is that it has air conditioning. We have also refurbished the class 158 train to improve its scenic aspect by lining seats up with the windows. We are doing that on many parts of the line and, indeed, we are undertaking record amounts of vegetation management to remove trees from the immediate line side. That is good for safety and performance, but it is also good for tourism.

When I was up in Lochaber recently, with the transport forum, people told me that they wanted to see additional train services. Other stakeholders have expressed a wish to have improved journey times. Obviously, the journey times by road are shorter than those by train. Therefore, I welcome the establishment of the review group, because it will enable us to thrash out what the priorities for the line are and to build a plan to achieve them.

The success that we are having on the far north line shows what can be done when people have a strong vision of the railway's potential. We invest to make it better, and we are looking forward to doing the same on the west Highland line.

Kate Forbes: Just for clarification, what are the timescales for the improvements to the rolling stock?

Alex Hynes: All the existing rolling stock that operates on the west Highland line will be refurbished by the end of next year, so every service will be operated by a refurbished class 156. We are doing some work in parallel to see what changes need to be made to the infrastructure to enable the operation of that higher-quality train. We have to make sure that the infrastructure and the train are compatible with each other, given that different trains are different sizes.

Kate Forbes: The trains will be operational—we hope—by the end of 2019, and the infrastructure will be prepared for that.

Alex Hynes: The class 156 fleet that currently operates on the west Highland is being refurbished as we speak. Those who use the service will see more and more refurbished trains every month operating on that route, and every single one will be refurbished by the end of next year.

On the issue of infrastructure, the review group is examining whether the priority is journey time or frequency, or both, and what improvements we could deliver through some infrastructure work. Clearly, we would have to work with the Scottish Government to make a business case for that investment.

The Convener: You have mentioned free wi-fi on several occasions. I think that the wi-fi offer is to be commended, but there are still areas where people on trains—as I am on Tuesdays and Thursday nights—miss the wi-fi because it is not available across all of your network. Can you confirm that you are looking to secure better coverage? I am not criticising what you have at the moment; I would just like it to be better.

Alex Hynes: There are three things in the pipeline that will make wi-fi on ScotRail better. First, as we renew and refurbish the fleet, all trains will be fitted with free wi-fi. Secondly, that free wi-fi works only where a 3G or 4G signal is available and, as mobile connectivity improves through the mobile operators, the on-board experience will also get better. Thirdly, we are doing a trial on a network with Cisco to see what we might do to deliver the fastest wi-fi that is available on any train anywhere in the world. That trial is happening as we speak, and we are excited by the prospect. If it works, we will make some proposals to the Scottish Government about what it could do in that regard across the network.

Jamie Greene (West Scotland) (Con): Good morning. I apologise for missing the opening part of the session.

I have two distinct questions. First, I would like the panel's view on how ScotRail can play a bigger part in promoting modal shift in Scotland—that is, how can we get more people off the road and on to trains through improvements to things such as bicycle parking at stations, car parking at stations, the capacity of train carriages to carry bicycles and so on? Any news, updates or views on that would be helpful.

Alex Hynes: Our current marketing campaign specifically targets road users and highlights the benefits of travelling by train, such as the fact that passengers can be productive and use that time as they wish. As we speak, we have some

advertising hoardings on the sides of lorries that are going around congested Scottish cities to make that point directly to car drivers who are sitting in traffic jams.

With regard to making it easy to access the rail network, all the rolling stock is being refurbished so that it is fully accessible. That creates flexible space, so we can increase the number of bikes that we can get on trains. We have a big investment programme to increase the number of car and bicycle parking spaces across the network. We also have a transport integration strategy and a manager, and we are putting investment into that area.

It is also fair to say that, in this five-year control period, which Network Rail is regulated by, we are due to underspend in Scotland, which is a great achievement. That is, in part, a result of the fact that the investment programme is on time and on budget, and those investments are handing back contingency because they do not need it. We are looking to see what can be done quickly in the next 12 months to upgrade the current programme of investment in car parking in order to create more spaces.

Improving the accessibility of the railway is a key part of our strategy, because, with the additional seats that we have and the increased frequencies, we will have 40 per cent more seats to sell.

Jamie Greene: I had a potential supplementary question on underspend, but I will park that. Someone else can pick up on that issue, if they want.

Mr Hynes, what is your view on the recent headlines about the views of the Rail Delivery Group and passenger user groups on the complicated ticketing system that exists in the United Kingdom? Apparently, there are 55 million combinations of tickets available. Those groups have called for a root-and-branch review and reform of the system. Do you think that there should be reform of ticket pricing in the UK? What changes do you think would most benefit the commuter?

Alex Hynes: It is certainly something that we should take a look at. I talk to customers, and they find the fares and ticketing system very complicated. I heard a great example of that last week, when I was at a public meeting in Elgin. Someone travelling between Elgin and the central belt can go either via Inverness or via Aberdeen, and the fares are different. If they split the ticket, however, they get a cheaper price. That is difficult to explain to customers.

The fares and ticketing system is essentially the same as it was 20 years ago, but adjusted for inflation. There are definitely opportunities for us to make fares and ticketing simpler for customers to understand, which would be good for them, as they would then use the train more often.

The Convener: I think that Gail Ross has a supplementary question.

Gail Ross: I do. Good morning, panel. You talk about accessibility. In the other committee of which I am a member, we have been hearing that people with disabilities sometimes have difficulties in accessing the system. That includes people with physical disabilities getting on and off trains. There are also issues concerning people with visual impairments accessing timetables and so on. How do you propose to address those issues?

Alex Hynes: Every single train in the fleet will be fully accessible by the end of next year. They will have audio and visual information systems to help sight-impaired people, and they will have disabled toilets. We have two people on board every train in Scotland, which helps to provide greater assistance for those people who need a bit more help.

We have an accessibility forum, through which groups representing certain categories of customers who might need a bit of extra help can work with us to improve the service that we provide. We already have big investment programmes to improve the accessibility of the network, and we work with several groups in order to do even better on that agenda. It is a big opportunity for us.

The challenge lies in stations, but that is why, every time we go in, we invest in new station infrastructure, such as at Forres and Glasgow Queen Street stations. We make the station fully accessible, and we build it to the latest accessibility standards to ensure that Scotland's railway is accessible to all.

The Convener: I will let you come in, John, but I ask you to keep your question as brief as possible.

John Finnie: This is a short supplementary question. I hope that I heard Mr Hynes correctly. Do you have two people on every train? Is that an announcement? Are you telling us that you are going to reverse the driver-only operating arrangements in the Strathclyde area?

Alex Hynes: In Strathclyde, we have driver-only operation, which means that the train is capable of being operated without a second person on board. However, we roster a ticket examiner on board every one of those trains. A recent area of focus for me, Angus Thom and the team has been to reduce the number of services that run without a ticket examiner to only a handful each day. We have been working with our staff and our trade unions to improve our performance in that area,

which is measured by SQUIRE, and that forms part of our SQUIRE improvement plan.

John Finnie: That person is not a safety-critical guard.

Alex Hynes: No, they are not.

Gail Ross: You will be aware that the consumer organisation Which? recently raised concerns about how passengers access the delay repay compensation scheme. In the light of those concerns, are you going to look into how that scheme is operated? Do you have any plans to make compensation automatic?

Alex Hynes: We proactively push delay repay. When we have train service disruption, we tell customers that they are entitled to delay repay and we tell them how to claim it.

The industry—not just ScotRail—has recently changed the national rail conditions of carriage to reflect the Consumer Rights Act 2015. In the past, passengers got their delay repay and there was no consequential loss. We have changed the national rail conditions of carriage, which apply to ScotRail, and they now say that, if someone has suffered a consequential loss, they are free to make a claim and we will consider it on its merits.

We are considering a couple of things to further improve the compensation scheme for customers. In some other places, compensation is being paid at a lower threshold—for example, if there is a 15-minute delay rather than a 30-minute delay. As you say, some operators make the compensation automatic. We are doing a piece of work at the moment to see what could be done in that regard.

The Convener: That brings us to the end of this evidence session. Thank you, Alex, Angus and David, for giving evidence to the committee.

10:00

Meeting suspended.

10:06

On resuming—

Salmon Farming

The Convener: Item 3 is the committee's inquiry into salmon farming in Scotland. I welcome Donald Cameron and Graeme Dey from the Environment, Climate Change and Land Reform Committee. I ask members to declare interests. I declare an interest in a wild fishery; I made a full declaration of my interests at the start of the inquiry. Would anyone else like to make a declaration of interests?

Donald Cameron (Highlands and Islands) (Con): I refer to the declaration that I made on 5 March, with reference to a fish farm and a wild fishery.

The Convener: This is our sixth evidence session in our inquiry into salmon farming. We will take evidence from the Cabinet Secretary for Rural Economy and Connectivity and his officials. I welcome the cabinet secretary, Fergus Ewing; Mike Palmer, who is deputy director of aquaculture and recreational fisheries; Alastair Mitchell, who is the head of aquaculture and recreational fisheries; and Charles Allan, who is head of the fish health inspectorate. Cabinet secretary, would you like to make a brief opening statement?

The Cabinet Secretary for Rural Economy and Connectivity (Fergus Ewing): Good morning, convener and committee members. I am grateful for the chance to address you today, along with my officials.

As you all know, I am a very strong and public advocate for the aquaculture sector, and for the many benefits and opportunities that it brings and will continue to bring for the people of Scotland. I have been following the committee's inquiry and seen the ECCLR Committee's report, which have brought sharply into focus many of the issues that the Government has been working with the sector to resolve. We should acknowledge that the sector has come a long way from where it was—things have not been standing still, by any means. The message from us, from science and from the industry itself—I believe that members heard from the industry last week—echoes the ECCLR Committee report's message that the status quo is not acceptable.

I come here today on the back of a number of significant developments. Many of them have been in train for some time and have been progressed against the backdrop of two committee inquiries and expectations about the way forward. They include a commitment to consider the potential for an alternative consenting regime that would address concerns among local planners

and environmental groups about current planning regimes and areas of dispute concerning the applicability of the precautionary principle. We will also address questions about how the differing regulatory regimes mesh with each other, which is a theme that has already featured in the committee's inquiry.

Secondly, there is an agreement with the sector to manage the capture of wild wrasse, which are used as cleaner fish, in a sustainable way.

Thirdly, there is a new permitted development order that will bring more transparency to changes in routine husbandry in aquaculture.

As I outlined at the aquaculture industry leadership group, we will establish an independently chaired working group to look at how we can move forward the dialogue on the interaction between wild and farmed salmon in an innovative way, against a backdrop of diverging and sometimes inconsistent science.

In autumn last year, I made a commitment in our programme for government to work with the sector to develop a farmed fish health framework, in order to address many of the health issues that are highlighted in the ECCLR Committee report. We expect that the framework documents will be ready for publication relatively soon. The framework gives the clear message that we are determined to ensure that the challenges of health and disease are addressed in both the immediate future and the long term. The framework demonstrates that we work constantly to improve how the salmon sector operates, because we fully support the industry's ambitions.

However, let us be clear: we will not accept growth at any expense. Growth must be sustainable. That reality is not lost on the sector because it, too, has a reliance on, and an economic vested interest in, our natural landscape and surroundings. However we seek to quantify it in the recognised Scottish premium, the environment is one of the most important—if not the most important—of its component parts.

I have come today in the hope that, collectively, we can agree on the importance of aquaculture to the Scottish economy and also on how we might best resolve some of the concerns and reservations that others retain. I believe that we can resolve the conundrum without detriment or conflict. Aquaculture has of late received considerable attention, which is a testament to its being a continuing success story and the accompanying additional public scrutiny that naturally travels alongside that. The industry has received significant public criticism—some of it has been understandable, but much has been unevidenced and emotive in its language.

I hope that the committee will agree that the work that we have been doing—and the work that we are going to do—amounts to a rigorous commitment to the environmental sustainability of the salmon farming sector in Scotland. By getting all the parties around the table, we will ensure that everyone's voice is heard. The outcome of the committee inquiry will have a significant impact on all concerned. We should recognise that we all have a responsibility to get this right.

The Convener: Thank you for your opening remarks. I am very pleased that you have clarified the environmental statement. As convener of the committee, I was slightly concerned when I heard you quoted as saying that you were

"determined to give leadership"

and that you could

"make sure that no matter what challenges are thrown at

the industry

"you would double growth".

That seemed to be an odd comment to make when two committees of the Parliament are in the process of carrying out a review. I am glad that you have clarified the position.

Kate Forbes: The committee has learned that salmon is the most popular fish in the UK shopping basket, and we hear regularly about the fantastic export figures for Scottish food and drink. How important is the Scottish brand for Scottish farmed salmon? How important is the perception that farmed salmon are produced in a pristine environment to high standards?

Fergus Ewing: First, let me say that the quotation to which the convener referred was inaccurate and incomplete. I made it absolutely clear in the course of the speech that I gave in Brussels that I support sustainable growth and that we must overcome the challenges.

To answer Kate Forbes's question, that perception is extremely important, because salmon is our biggest food export. It is important to stress that salmon has—I believe—the lowest carbon footprint of all major foodstuffs. It is important because of salmon's nutritional value; I am no expert, but all the experts tell me that salmon is one of the most nutritious foodstuffs available. It is also important because we have the capacity to achieve the targets that the industry has set—they are not Government targets, but industry targets. As was emphasised last week by the industry panel, the industry does not support growth at any cost.

We all recognise that the significant challenges—which I fully expect we will discuss at length today, as is correct—must be overcome. There is evidence of progress. For example, at the

committee meeting last week, one company mentioned the reduction of 87 per cent in adult female sea lice numbers. There is evidence that the vast investment and efforts that are being made collectively by the public and private sectors are overcoming the challenges.

However, I want to emphasise from the beginning that it is important to me that, just as we recognise that we need to face the challenges head on, as we have been doing, and as we carry on the work that we have put in train, which Roseanna Cunningham and I highlighted in our statement in March last year, we are bold and ambitious and that we achieve the target that was set by the industry of doubling the value of the food and drink sector to £30 billion by 2030. If we are to do that, it is only logical and correct that, in relation to Scottish salmon, with the high premium that it carries and with the high regard in which people hold it—the highest regard in the world—we start off with the view that we will enable progress to be made by working together to overcome the challenges that the industry faces.

10:15

Gail Ross: In previous evidence sessions, we heard a lot about the benefits of aquaculture to the rural economy—Migdale Smolt Ltd, in my constituency, is a good example of that—and we have had specific reports from Highlands and Islands Enterprise and Marine Scotland that include statistics on that. How, do you think, does aquaculture benefit the rural economy?

Fergus Ewing: At the macro level, aquaculture contributes enormously to the rural economy. It supports more than 12,000 jobs and contributes £620 million a year to the economy. I gather that the committee has received evidence about the hidden but huge impacts on communities in the constituencies of Gail Ross and Kate Forbes, and throughout the Highlands and Islands. You have also received evidence about the impact on the supply chain. For example, I think that Stewart Graham noted that, for every job in the primary industry, five jobs in the supply chain are supported.

Having formerly represented Lochaber—it is now represented by Kate Forbes—I am acutely aware that such communities are sustained by fish farming. Inverlussa Marine Services, which is based on Mull, employs 70 people, and Migdale Smolt, which Gail Ross mentioned, is a Bonar Bridge company that has 17 full-time employees and gross staff pay in the region of £600,000.

If aquaculture did not exist, many rural communities in the west Highlands and the northern islands would be imperilled, because they would lose people from their auxiliary fire services, they would lose children who attend small schools in rural areas and so on. I am passionate advocate of the fact that, over the past five decades, aquaculture has been a huge benefit to those communities. We do not hear that side of the story enough. I am grateful for the opportunity to give a few examples; I could give hundreds more.

Tragically, two fishermen died when the Nancy Glen sank, but a third fisherman was rescued in an act of outstanding bravery that involved a passing fish farm vessel. In all sorts of hidden ways, the industry makes an enormous contribution. I wish that we would hear more about that in the public reports on the sector.

The Convener: I remind all committee members and the cabinet secretary that we want to cover an awful lot of ground today. The first question has taken 15 minutes. At that rate, we will still be here at 4.30 or 5 o'clock this evening. I therefore ask everyone to make sure that their answers and questions are as focused as possible.

Peter Chapman: I will bear that in mind, convener.

In the Government and in the industry there is a great will for the sector to grow. The industry's production is projected to go from 162,000 tonnes to 210,000 tonnes by 2020. However, as the cabinet secretary has said, that has to be done sustainably. There is a huge demand for the product, but there are environmental issues. I think that we have all accepted that the status quo is untenable.

Has the Scottish Government adopted industry growth targets without a robust assessment of the environmental carrying capacity for increased growth having been made? If you have carried out such an assessment, where is it?

Fergus Ewing: First, as I said earlier, industry targets have not been adopted as Government targets—I ask members to bear in mind that important distinction. We support the industry achieving its potential, and I point to evidence that was given at last week's committee meeting by a panellist who said that doubling growth does not necessarily mean doubling stock numbers. We look to increase value, and the value added of smoked salmon produce is enormous and growing. We all know that from the high-quality produce on the retailers' shelves. Growth is not simply about doubling stock numbers.

Secondly, we are in favour of the various techniques that are being used in order to seek growth sustainably. For example, at last week's meeting, a contributor who formerly had 33 fish farm sites said that he had reduced the number substantially and changed the model. He has changed the location of sites and the practices—

which we will no doubt come on to. We support growth, but it must be sustainable.

I recognise that Peter Chapman, as a farmer, has the same concerns on land about overcoming mortality challenges as the representatives from whom we heard last week have on the sea. I found their evidence to be extremely impressive and sincere. In some respects—not all—the challenges are being overcome. Sea lice numbers are the lowest since 2013, which happened not by accident but because of their efforts and investment.

Peter Chapman: Are you saying that there has not been a Government assessment of the environmental carrying capacity of the industry as it grows? Is no assessment work being done?

Fergus Ewing: No, I did not say that. To answer that question, Mr Palmer may be able to provide some more factual evidence.

Mike Palmer (Scottish Government): The regulatory agencies constantly review their assessments and analyses and the modelling that they can put in place to ensure that environmental protection is sufficient to support the sector's growth aspirations. For example, the Scottish Environment Protection Agency has developed depositional zone regulations that will take us on quite substantially from the previous approaches to monitoring discharge into the water column. I think that members heard about that in previous evidence.

The Scottish shelf model is a new approach to hydrodynamic modelling, which will help us to predict more precisely tidal and water energy flows. We work on those initiatives constantly in Marine Scotland and in Marine Scotland science, and with the regulators with which we collaborate, and we discuss them with the sector in order to create an enabling environment for sustainable growth. Growth has to be sustainable—everybody is very clear about that—and that approach reflects and expresses the adaptive management approach that has come up in previous meetings during the inquiry. The modelling that we can put in place constantly changes; therefore, so do the assessments that we can make with our regulatory partners.

Alastair Mitchell (Scottish Government): Perhaps I could add that each—

The Convener: I am conscious that everyone would like to say something, and I am happy to try to bring in as many people as possible. I remind witnesses that it is up to me to bring people in. Would Alastair Mitchell like to add something, briefly?

Alastair Mitchell: I will add, briefly, that every new farm or major expansion of a farm undergoes an environmental impact assessment as part of the planning approach, which considers, through the statutory authorities, the ability of the water body to accommodate the development.

Peter Chapman: I have a final question on that point. What are the panel's views on the key challenges to growing the industry?

Fergus Ewing: I will pass the question to officials but, in brief, the key challenge is to overcome the disease and mortality issue. That is the number 1 challenge, as members heard last week in evidence. Would officials like to expand on that?

The Convener: We will come on to those specific topics shortly. John Finnie has a supplementary.

John Finnie: Good morning, cabinet secretary and panel. If you would indulge me, convener, I will read a small quote from the Fisheries Management Scotland submission. It says that

"The growth targets included within *Aquaculture Growth to 2030* are industry targets, not Government targets,"

albeit that you have indicated your support for them, cabinet secretary. The submission goes on to say:

"There has been no assessment of the environmental sustainability of these targets, nor have they been subject to Strategic Environmental Assessment. The report includes only passing mention of the environmental challenges facing the industry and no mention at all of wild fish interactions ... We do not consider that industry growth targets should be adopted by Scottish Government, or included in the National Marine Plan, without a robust assessment of the environmental carrying capacity for increased growth, including existing farms."

I agree with you, cabinet secretary. I represent a large rural area where the value of such jobs is immense, and the implications are wider than just the jobs on the farm. Surely, however, the precautionary principle must apply. As you acknowledged earlier, the status quo is not acceptable; there have been many measured comments about that. You said, if I have noted it correctly, that the issue is how we overcome disease and mortality. Should you therefore be calling for an immediate moratorium on expansion, pending resolution of those issues?

Fergus Ewing: First, we already apply the precautionary principle. Secondly, we take an evidence-based approach; as Mike Palmer said, any application for consent for a new farm must undergo an environmental assessment. Thirdly, as has been stressed in previous evidence to the committee, a huge amount of modelling work has been done. Mike Palmer began earlier to talk about that work, which is very important. The modelling is in the form of assessment. Fourthly, production in Norway, which is the most prolific

producer of farmed salmon in the world, is massively greater than production in Scotland, which demonstrates that greater production can be achieved sustainably. Finally, I emphasise that, although the industry has set out figures for what it seeks to achieve by 2030, I am not sure that those are targets set in tablets of stone. I think—you will have to check the *Official Report*—that Mr Graham used the word "aspirations" in his evidence last week.

On all those points, we are already doing what John Finnie asks us to do. Further evidence of the action that we have taken since this Government came to power—for example, in tightening up various parts of the regulatory framework—demonstrates our desire to tackle the issues head on. John Finnie raises a very important question, but I certainly do not think that a moratorium would be justified. I contend that we already apply the precautionary principle; my officials could usefully expand on that.

The Convener: John Finnie has another supplementary; I will then allow the officials to answer both questions at the same time.

John Finnie: My next question follows on from Peter Chapman's point. You said that, although the targets are not the Government's targets, you support them. You said that you take an evidence-based approach, but you do not deny that there has been no environmental sustainability assessment, and no strategic environmental assessment, of those targets. You do not, therefore, seem to be adopting either the precautionary principle or an evidence-based approach to policy.

Fergus Ewing: I have made it absolutely clear—I said so at the outset, and it is on the record—that we are not in favour of growth at any cost. We are in favour of sustainable growth, and I have said that we must overcome the challenges. The work that has already been done, and is being done, to overcome those challenges needs to be looked at factually and forensically. Those who do that will come to the conclusion, as I have, that success is being achieved but there is more to be done. As I see it, those are the immediate tasks ahead in general policy terms. Again, it would probably be useful if my officials could provide some more factual background.

Mike Palmer: The precautionary principle is embedded at all levels in all that we do as regulators. It is embedded at the national level for how we take forward policy, it is embedded in the planning system, in the approaches of SEPA and Scottish Natural Heritage, and in the approach of any regulator that touches on aquaculture or has an impact on the environment. The principle is alive and kicking and we cherish it. It is at the heart of our approach to sustainable growth.

As my colleague Alastair Mitchell has commented, an environmental impact assessment is a part of each planning application, and it occurs at the local level.

10:30

John Finnie: I am talking about the growth element. I understand what will happen with each individual application, but I am asking about the dearth of evidence in respect of the Government's support for the growth target.

Mike Palmer: We have made clear as a Government that we are supportive of the growth target as a target that will be achieved sustainably. We would not be supportive of growth at any cost. Growth has to be balanced with the protection of the environment. I refer the committee to the joint policy statement on aquaculture that was issued by Mr Ewing and Ms Cunningham last year. It makes it clear that we take a balanced view of sustainable growth. That is the message that we have given to the sector.

The committee will have heard about the aquaculture industry leadership group, which Mr Ewing sits on. That group has the remit of bringing together all the key regulators, the Government and the sector to work out how we can create an enabling environment for sustainable growth towards those targets. On that group, we have made our message clear, and the sector has welcomed it—we need to find and constantly improve and enhance our regulatory approach to ensure that the environment is protected as we move towards the sector's aspirations.

John Finnie: I am conscious that there are a lot of other questions, so I will leave it there.

Kate Forbes: I want to talk about levels of mortality. With any livestock production there will be a level of mortality, but mortality in fish farming appears to have increased between 2014 and the present. I understand that a farmed fish health framework is being developed by the industry in partnership with the Scottish Government, with the support of all salmon farming companies. It will set out a strategic framework of high-level fish health objectives for the next 10 years to underpin the sustainable growth of Scottish aquaculture. When will that framework be published? Will it be compulsory or voluntary? How will the framework help to reduce mortality?

Fergus Ewing: The farmed fish health framework is a programme for Government commitment that I made last year and we are about to implement it. It will be published relatively soon. It will include a commitment to present the annual mortality rates in the fish farming industry by cause. We all wish to drive down mortality rates. A mortality rate of zero is what any farmer,

on land or sea, would aspire to, whether it be farmed salmon, lambs, or dairy cattle. Sadly, however, life shows that that aspiration is extremely challenging. The fish health framework will take the issue head on.

Will it be voluntary or compulsory? We already have a statutory underpinning of regulations that we look at continuously and there might be ways in which the regulatory consenting system can be improved, as the First Minister recently opined. We are keen to look at that. We have an open mind and a lot of work has been done on it. We might come to it in other questions. We can do a certain amount of work with the statutory underpinning by legislative action, and we can do an awful lot more through best practice.

It has been said in evidence that the code of practice and the technical standards that we produced in Scotland are regarded as world leading, but we do not want to rest on our laurels of the past. It is a dynamic, fast-moving situation, as we have heard from witnesses, so we have to ensure that the statutory and voluntary response complement each other and are effective.

Kate Forbes: On the substance of the draft framework, you mentioned that there would be a requirement to publish data. Will there be other regulatory requirements that are new for the sector?

Fergus Ewing: The focus areas for the framework will come as no surprise and, as I imagine that we will probably cover them all in questions, I will just mention them briefly. They include information flow and transparency—the industry wants to be more transparent, and that is necessary—the gill health issue, which is paramount; the sea lice issue, obviously; cleaner fish, which I have already mentioned; the production cycle and on-farm management; the licensing regime and medicine use; and climate change. Those are some of the areas of focus for the framework. For each key workstream in those areas, a group will be established to take forward the work. Prior to the establishment of the two parliamentary inquiries, work was well under way on the framework, which is near completion. It will cover all those areas, and rightly so, because we are determined that we—public and private sectors, regulators and researchers, working as team Scotland—tackle those significant challenges effectively.

The Convener: Before we move to the next set of questions, it would be helpful for the committee if you would tell us when the high-level farmed fish health framework will be delivered. I think that you have used the words “shortly” and “nearly completed” in that regard. It would be helpful to know whether we will be in a position to include the framework in the committee’s consideration of its report.

Fergus Ewing: “Relatively soon” is the phrase that I used. I used it quite deliberately.

The Convener: I am no clearer on that point.

Stewart Stevenson: I want to look narrowly at sea lice. As a member of this committee and the ECCLR Committee, I view the work of the two committees as one, with there being one inquiry rather than two, albeit with the publication of various reports at different times.

The ECCLR Committee unanimously made it pretty clear what it wanted the industry to deliver in the way of data about female sea lice. I welcome the increased data that is coming from the industry but, nonetheless, it is still running substantially in arrears and it does not give fish numbers in farms. That makes it very difficult to normalise the data and enable independent researchers to look at it. Is the Government working with the industry to try to meet the standards that the ECCLR Committee laid out in its contribution to the inquiry? More fundamentally, is it getting us to the position that the Norwegian industry seems to be in, where there is a virtually real-time view of what is happening in relation to sea lice and diseases more generally?

Fergus Ewing: The industry is keen to be as transparent as possible. As I understand it, Mr Landsburgh said last week that further reportage is being delivered. However, Mr Stevenson is right to say that the reportage is not quite as up to date as in Norway. Last week, convener, you brandished a sheet of paper that showed an example that the Scottish Parliament information centre had extracted from a website of the information that is available for a particular Norwegian farm. If I understood him correctly, Scott Landsburgh said that the information is published for every farm in Scotland three months in arrears but that it is to be published monthly rather than quarterly. The industry is on a journey and has a desire to be as transparent as possible. We want it to be as transparent as possible and we are working with it on that.

Convener, with your permission, it might be useful if Mr Allan—who is head of the fish health inspectorate and who therefore deals daily with all of this—could run through a brief description of the regulatory regime and how it operates. I feel that within the time that we have, it might be a useful piece of evidence to get on the record.

Stewart Stevenson: Can I just intervene? Mr Allan might address this point—I very specifically asked about what the Government is doing. I think that I am about to hear the answer, but I would specifically like to hear about what the Government is doing to help the industry raise its

game in this respect, because the Government may have a role to play. If you conclude that it does not have a role, let us hear that that is the case.

The Convener: I will bring in Charles Allan at this stage, so that we can hear what he is doing.

Charles Allan (Scottish Government): First, the trick is to make sure that any data that is published is correct and accurate. Unfortunately, that takes some time, which would partly explain the time lag.

We are considering how we publish our own data and indeed we will be seeking to publish information that is collected under the regulatory regime separately to that of industry, so more than one set of data will be available.

At a higher level, the farmed fish framework is seeking to address the provision of data on sea lice.

The Convener: Jamie Greene has a question and Stewart Stevenson wants to come back in again, so we will take the two questions together.

Jamie Greene: To follow up on this theme, I find the language that is being used quite troubling. Why are we coming at this from the point of view that it is up to industry to mark its own homework Why is the Government not taking the lead, as is the case in Norway, where not only is the data as close to real time as it can be but its quality is good? Norway is not just using data to be reactive to what may have gone wrong; it is using big data in a meaningful way to make future decisions and improvements as close to real time as possible.

I have a worry that we are looking at this from the point of view that the Government will help industry when we should be asking why the Government is not taking the lead on the regulatory environment around this very important data?

Stewart Stevenson: Mr Allan said that the Government will be publishing figures as well; I have a very narrow question on that. Do we not need to get to a position where there is just one set of figures that we can all rely on? Perhaps the Government would like to tell us that the destination that we are heading towards is to have figures that come from an independent regulatory process.

Mike Palmer: I want to take us back to the farmed fish framework. I know that it is frustrating for committee members because they have not yet seen that and it is not quite ready to be published. However, as the cabinet secretary said, perhaps the very first focus of that framework is on transparency and data flows. It is about making sure that we are working with the industry and that the Government is taking a leadership role to improve the transparency of data. As the cabinet secretary said, we want to go on that journey to enhance the real-time nature of that data as quickly as we can.

A big step forward that has recently been taken is to get farm-level sea lice data monthly. The industry has undertaken to provide that data and it has just been provided in its first edition. We will work to take further steps with the industry on that through the delivery of the farmed fish framework. The Government will be very much at the heart of that and will be leading that process.

10:45

Stewart Stevenson: I would like clarification of what Mike Palmer has just said. He said two things that I imagine could be in conflict. He said:

"The Government will be very much at the heart of that",

and then he said that the Government

"will be leading".

Which is it? They are two different things. I would like the Government ultimately to publish figures with its imprimatur, and for which it takes responsibility. Is that the destination to which we are heading?

Fergus Ewing: The Government is leading on the matter, and we have made it clear to the industry in the various forums in which we engage that we require transparency. It is heartening to see—the committee heard about this last week—that the industry is listening, acting and improving the level of data. That is absolutely right, but I have said that we are on a journey, and we are not yet at the journey's end. We have heard from Charles Allan, who is the head of the FHI, that the data must be accurate.

The industry is now responding to our lead on greater transparency. I do not think that there is an issue. From what I have heard, from what I know, from the dealings that I have had, and from the work that I have done over the past nearly two years in this job, I believe that the industry is determined to be more transparent than it has been.

Some concerns about potential risks were, I think, voiced by Stewart Graham in his evidence last week. I will not dwell on that, but the potential risks have to be taken into account. Nonetheless, we have been leading on the matter, and we shall continue to lead on it. If further action is required, it will, of course, be taken. I hope, however, that the committee recognises that progress is being made. The fish health framework will take that forward.

The Convener: I have a sheet of paper that shows a farm's lice and disease levels. They can be seen on a website for any farm in Norway, and the information is two weeks old. Most of the companies that operate in Scotland also operate in Norway—one of the companies that operate farms in Scotland inputs data for that farm in Norway, which is readily available. Is there any reason why the same approach could not be accurately transposed to Scotland? I do not understand why people find it so difficult to do the Scotland figures when they are done so well in Norway.

Fergus Ewing: The industry has indicated that it wants to do more, and we have made it absolutely clear that we want the industry to do more. There are a large number of practical issues. I think that Ben Hadfield said in evidence last week that, in some ways, Norway is ahead in regulation, but that, in other ways, Scotland is ahead in them. We should remember that and not always take a gloomy view of the regulatory framework in Scotland, which has had a lot of praise. However, you are right that there is more to be done. The particular reasons behind that and the processes will be considered in the fish health framework.

Alastair Mitchell may have more information.

The Convener: You should be brief, because I would like to move on to the next question, which is from Colin Smyth.

Alastair Mitchell: Of course. It is worth pointing out that there has been significant Government investment in Norway to develop the website that was mentioned. The convener was able to tap into a relatively recent website development. We want in time to get into that space, but it will cost money. Currently, the Scottish Salmon Producers Organisation co-ordinates all the data; that is part of the issue that we need to work through.

Colin Smyth: I turn to the specific issue of sea lice trigger levels. The industry code of good practice suggests trigger levels of 0.5 and one adult female lice per fish, but Marine Scotland's trigger level for farms to report is three adult female lice per fish, and it will intervene only at a level of eight adult female lice per fish. Obviously, those levels are a lot higher than those in the industry code of good practice and those that are set in Norway, for example. Why are Marine Scotland's trigger levels so high? What is the impact of having a higher trigger level?

Fergus Ewing: Marine Scotland has never set trigger levels for sea lice; instead, the reporting and intervention levels and its compliance policy are used by the fish health inspectorate, the head of which would probably be best placed to answer that question, if that is in order.

Charles Allan: I will give you a rapid canter through the Aquaculture and Fisheries (Scotland) Act 2007. When it was enacted, it gave the inspectorate powers to inspect. It allowed us to look at the measures that are in place to control, prevent and reduce sea lice, and it gave us powers to look at the number of sea lice. That is the limit of the regulatory regime for sea lice in Scotland.

Moving forward by a decade, we reviewed the policy, which we considered in respect of satisfactory measures to control sea lice. In 2007, farms that had access to all the veterinary medicines were deemed to be compliant and to have satisfactory measures in place. We reviewed that policy, in particular regarding how the measures could be demonstrated to be satisfactory—in other words, actually seeing numbers decreasing. Under the previous regime, a farm could have a very high sea lice number but still be compliant. We now require farmers to demonstrate that they can treat sea lice positively by reducing their number to an acceptable level.

Members will wish to be aware that the code of good practice and the regulatory regime seek to do something slightly different. The numbers are different. In the first decade of the legislation, no warning letters were sent and no enforcement notices were served. In 2017, we changed the policy and implemented demonstration of satisfactory levels. Where satisfactory levels have not been demonstrated, we have served a number of warning letters and enforcement notices.

Colin Smyth: To be honest, that does not really answer the question why you set the trigger level where it is. It seems to be pretty arbitrary to me, and there are different numbers. Why is the reporting level set at three lice per fish and the intervention level set at eight lice per fish? What is the basis for that? The levels are different from those in other regimes.

Charles Allan: At the point at which we were considering the change in policy—you should bear in mind that the level predated the introduction of the policy—we considered the average and peak numbers of lice on farms in Scotland. An analysis was carried out by Alexander Murray and Malcolm Hall—I believe that a copy has been submitted—referring to the average numbers that were available at the time.

We seek to review the policy in July: it is most likely that the numbers will be changed significantly.

Colin Smyth: How many times has Marine Scotland required a farm to take action based on the current trigger levels?

Charles Allan: The industry is very good at proactively managing its lice numbers. I have

served only one enforcement notice in the past 10 months.

Colin Smyth: One piece of evidence that the committee received suggested that, because SEPA decides how many fish are allowed in a cage, it is reasonable to say that it is, in effect, overseeing sea lice by default. Is that a fair point?

Charles Allan: I will correct your terminology. SEPA does not decide the number of fish in a cage; it sets a maximum biomass that is acceptable on a site.

Colin Smyth: Yes. I am citing evidence that has been given to the committee by John Gibb. SEPA decides on the biomass at a site, so the accusation is that, by default, SEPA is, in effect, setting the level of sea lice.

Charles Allan: I would not agree with that.

The Convener: The next series of questions will be from John Mason.

John Mason: If I heard correctly, the cabinet secretary used a phrase that was something like "divergent and inconsistent science." In other words, we are getting different views from different sectors. That has very much been the case on the question of disease and of lice being transmitted between farmed and wild fish.

People have said, on the one hand, that things have clearly got a lot worse and that all the fish have vanished from the rivers because of fish farms. On the other hand, people have said that the number of salmon in rivers has been declining since the 1950s, so the situation has nothing to do with the farms. We are getting opposing views on the issue. Have you made a decision on your view on that?

Fergus Ewing: There are a number of points to be made. Those are inherently difficult areas for science. At a very basic level, let us remind ourselves that what is happening is happening beneath the surface of the sea. Therefore, obtaining visual evidence is not as straightforward as obtaining it for farming that occurs on land. The task of marine scientists is not straightforward.

When I referred to inconsistent evidence, I had in mind the evidence on the existence and extent of impacts between farmed and wild salmon. That is precisely why I said in my opening remarks that the Cabinet Secretary for Environment, Climate Change and Land Reform and I agree that the matter must be looked at by a working group of experts, the setting up of which we are finalising at the moment. The group will be tasked with considering all the literature and other evidence concerning the environmental impacts of salmon farms on wild salmon and aquaculture interventions—and without punting the matter around forever, but doing it speedily.

I have looked at the issue myself—obviously, with advice—and I acknowledge that there are many factors that influence the health of wild salmon: I have seen 12 factors being referred to. I will not go through them, although I have several in mind.

It is an inherently complex business, but it is right that we get the best evidence. An evidential approach and the report that we will get from the working group on interactions between farmed and wild salmon is the sensible way forward. That process has been in train for some time, and we are just about to set up the group. I know that Roseanna Cunningham agrees with me that the work should be completed as quickly as possible, precisely because of the divergence in some of the evidence that we have and, in respect of the precise situation in Scotland, the lack of evidence. That lack exists not least because some people say that there are, on the west coast, insufficient salmon numbers to form reliable samples to provide the evidence base.

John Mason: In the meantime, decisions are having to be made about whether farms grow, relocate and so on based on evidence that is—and perhaps always will be—incomplete. Should we look to SEPA to look after that part of the planning and on-going regulation processes, or should it be one of the other regulators?

Fergus Ewing: The regulators, including SEPA and the planners, all have roles to play, as does the industry. Last week, the committee heard Mr Hadfield say that particular attention has to be paid at the time in the season when wild smolts go to sea from the salmon rivers. That is just one practical point. The industry therefore has a role to play, as do SEPA and the planners.

It is plain that siting of future farms will have to be considered on the basis of the best evidence. The committee has also heard important evidence from the industry about a move away from locating fish farms in sea lochs in which there are wild salmon, and their being located further out at sea. An example is the farms around the Isle of Rum, which I think Marine Harvest is looking at.

A wide range of evidence-based responses are taking place at the moment, but there is more work to be done and we are determined to do it as quickly as possible following the ECCLR Committee report and the work of this committee.

John Mason: You are right that we have heard about the idea of farms being moved further out to sea, although the industry also said that there is quite a health and safety issue for its staff in that respect, so it would have a duty in that area.

The other week, some of us visited Lochaber, which was very positive, and I found it very helpful. We met representatives from wild fisheries and

salmon farms, who seemed to be talking to each other. The relationship is not perfect, but seems to be quite healthy. I do not think that that is the case all round Scotland. Has the Government got a role in trying to bring people together and get them talking to each other? Is there anything that can be done on that? The example that the cabinet secretary gave about leaving farms fallow at certain times of the year seems to be a good one.

11:00

Fergus Ewing: Yes. In Lochaber there is some positive news about salmon levels in the River Lochy, for example, and the River Carron was also referred to. There is a different picture there, as I understand it, although I am no expert.

To answer the question, it is very sensible to try to bring the wild and farmed salmon sectors together. That might be a bit of a challenge, but it is extremely desirable. Perhaps the committee might consider in its report whether and how that could be done. There is a cultural issue when it comes to all of us working together to support marine activity. That approach seems to exist in Norway, but it is perhaps not so evident in Scotland. There is a sense that the conflict between various groups is too tense and not really proportionate to the discussions that we should be having, in which everybody should be seeking to co-exist and to find and adopt best practice. In that regard, I stress that the interactions group that I have referred to will have wild fish interests represented on it. We want all the relevant voices around the table—not only those of the farm sector.

John Mason: Thank you.

Graeme Dey (Angus South) (SNP): I have a small question. In terms of developing our knowledge base, does the cabinet secretary accept that we need to understand better the migratory routes of wild fish and, if and when we get to that point, use that as a basis for planning where fish farms should go—namely, keeping them well away from those routes? That strikes me as a commonsense approach.

Fergus Ewing: That certainly is a commonsense approach that is easy to enunciate in principle. I think that the interactions group will look at the issue to see what more can be done.

Donald Cameron: I want to ask a quick question and to concur with the views of John Mason about Lochaber, where I know from personal experience that there is a good relationship, or at least a working relationship, between the wild fishery and fish farming sectors.

However, my point is more general than that. The ECCLR Committee noted that a lot of the focus is on fish farming at sea, and that freshwater fish farming perhaps gets somewhat ignored. Can the cabinet secretary reassure me that freshwater fish farming is on his radar and that its environmental impacts are being considered?

Fergus Ewing: Yes, I can. There have been meetings and attention has been paid to that. Charles Allan may have more information.

Charles Allan: In freshwater salmon aquaculture, the high-level issues are treated in a very similar way to those for salmon farming in the marine environment. Development will still be considerate of the environment. There are requirements for environmental impact assessments, the discharges are still regulated by SEPA, we regulate the disease issues and the potential natural heritage impacts are considered by Scottish Natural Heritage at the planning stage.

Richard Lyle: One of the concerns of the ECCLR Committee is the volume of waste that is discharged from fish farms. The industry wishes to double production, but with that aim there may be more waste. SEPA has now issued this committee with an updated policy response, further to attending the meeting on 18 April. I will read part of that response:

"The changes we will be making to the way we regulate emissions of organic waste will:

(a) deliver a step change in the scientific monitoring and modelling of organic waste releases into the marine environment; and

(b) help fish farm businesses locate their operations where the sea has the necessary environmental capacity to accommodate the scale of production they are planning.

Exposed parts of the coast with strong tides can quickly dilute and disperse organic wastes."

Do you agree with SEPA's policy statement? Should some farming organisations—as you said, and I support your view—now consider relocation in order to double their output?

The Convener: Before you answer that question, cabinet secretary, I should point out that that evidence was delivered to the committee late last night. Members have waded through 162 responses so far, with the number still rising. I will claim formally today to have done that, but I have not had a chance to consider the SEPA evidence, and not all committee members have, either. You, too, might not have seen that evidence, cabinet secretary.

Fergus Ewing: I commend Mr Lyle for his diligence.

Richard Lyle: I do my work.

Fergus Ewing: I was being diligent last night and quite early this morning, but in other ways. I became aware at quarter to 10 that SEPA had

issued that extra information, by which time it was rather late in the day to read through it. However, plainly, these are important matters and we respect the work that SEPA does as a regulator.

The issue of waste was rightly highlighted by the ECCLR Committee. I read last night a very useful piece of evidence from Mr Hadfield in the form of a letter to the convener of the ECCLR Committee on 27 April in which he sought to correct some information that was given by the National Trust for Scotland about some of the problems relating to waste. However, that does not detract from the fact that these are important issues.

I am not sure which official can talk in detail about the evidence from Mr Hadfield that I read last night. A lot of different types of work are done to test waste, to control it and to prevent it from occurring in the first place; to deal with the deposition and location of farms; and to consider the fallow periods. The industry itself is using more fallow periods on many occasions to allow the sea bed to recover.

There is also the question of what the content of the waste is. I would like to dispel the idea that faecal coliforms are deposited, because that is completely wrong. It is unfortunate that one witness gave that evidence to the ECCLR Committee. Fortunately, Mr Hadfield has dispelled that idea with his letter. A range of technical work is done by SEPA. and it is right to acknowledge that, because there is a real risk that parliamentary committees, which inevitably have only a short space of time in which to research highly complex matters, can be taken off track by one or two misguided witnesses.

Mr Mitchell might have further technical information for the committee.

Alastair Mitchell: Marine Scotland and the Scottish Government funded significant improvements to the modelling capability of SEPA through something called DEPOMOD, which now allows SEPA to make judgment calls on improved data flow and modelling work as far as the impact of new developments is concerned. Again, it is a bit of a journey, but we are improving the database and our understanding of what the impacts might be. SEPA is taking that work forward with the sector.

Richard Lyle: So you are improving the database. I will quickly ask my next couple of questions. Given the polluter-pays principle, should fish farms that use the environment to assimilate their waste pay for that ecosystem service?

I do not think that this next question has been asked yet. Should the salmon industry come under the remit of one agency instead of dealing with several agencies for planning permission, licensing and other things that it has to do? Should we not insist or ensure that one agency deals with both the wild salmon industry and the farmed salmon industry?

The Convener: Before we get an answer to that question, Mr Lyle, I point out that you have just asked a question that Mr Rumbles was going to ask later. I will, therefore, suspend the question on the regulatory framework, because that issue will come later. I am sorry if you are ready to answer that question at this stage, cabinet secretary, but you will get a chance to answer it later. Can you go back to Mr Lyle's original question on the polluter-pays principle?

Fergus Ewing: The industry is responsible for its actions at the general level, but the point of the regulatory framework and the code of practice—the overall thorough nature of the environmental assessment and the technical rules for operating and managing fish farms—is to prevent serious issues from arising in the first place. In terms of technical, legal arguments, we would need to look at specific instances. However, in general, the industry is responsible for its activities. Perhaps Alastair Mitchell can add something more specific on that.

Alastair Mitchell: I simply add that, in her evidence, Anne Anderson acknowledged that the SEPA charges are proportionate to the work in hand with any particular farm or company. In that respect, there is an inherent polluter-pays element.

The Convener: The next question naturally leads on from that.

Kate Forbes: It is a brief question on land-based closed containment. How might that reduce the number of environmental concerns? There are challenges with regard to capital and innovation. What support could the Government offer the industry to take forward innovation?

Fergus Ewing: Recirculating aquaculture systems—closed containment—have been used in the production of smolts in Scotland for the past decade or so. Such a site is opening at Inchmore, near Inverness, and another, at Oban, is in the construction phase. The use of such systems is very much a current development.

Although we are talking about a different type of fish farming, it is important not to assume that it is free from the challenges that sea-based farming faces, because that is not the case. Recirculating aquaculture systems do not necessarily mitigate the effects of disease, as my officials could undoubtedly explain, but they offer an attractive solution in addressing a number of concerns about impacts on the marine environment, such as potential impacts on wild salmon. There are some concerns about the technology, which I can say

more about in writing if the committee wishes, but, overall, it is seen as a positive development.

I know that HIE is experienced in providing support to the aquaculture sector and that it is very supportive of the sector. In addition, the Scottish Aquaculture Innovation Centre facilitates and helps with work in relation to innovation and research, and it is right that it does so. Support is available for those who want to proceed with fish farming that involves the use of closed containment, and I think that that support is justified, but we must not suspend our critical faculties.

The Convener: At this stage, I will bring in Graeme Dey.

Graeme Dey: I appreciate that, convener.

I want to pick up on something that you said earlier, cabinet secretary. You indicated that some of the evidence that the Environment, Climate Change and Land Reform Committee received was inaccurate. That can happen in an evidence-gathering process. I would like to explore another aspect of the evidence that was taken in relation to closed containment. If I remember correctly, it was suggested to our committee that, if fish farming was moved onshore, fish farms would have to be accompanied, almost on a one-to-one basis, by sewage treatment plants. If we take that at face value, it perhaps supports the concerns about the amount of waste that fish farms put into the marine environment. Do you accept that that is accurate?

Fergus Ewing: Onshore salmon farming is not such a prevalent activity as salmon farming at sea, so I do not have a specific answer. I do not know whether my officials could say anything on that. We could certainly get back to Mr Dey in writing. I have lots of information about areas that might need to be looked at, but that information does not provide an answer to the question. If it would be in order, we could write to Mr Dey and the convener with the relevant information.

Mike Palmer: I simply observe that we are talking about very cutting-edge technology that is still being trialled and prototyped, mainly in Norway, which means that the assessments of what kind of infrastructure would need to be put in place around closed containment functions and plants are quite speculative.

The consensus is that the level of energy use is relatively high—the installations are hungry for energy—so the energy impact is a serious consideration. Further work is still needed. People in the sector are very interested in such developments, but their clear view is that we are not quite at the stage of rolling out such technology on an industrial scale—it is still in the prototype phase. The short answer is that we are still learning.

11:15

The Convener: The committee would like to take up the cabinet secretary's offer of a written submission on closed containment, because we have received evidence on it and further information would be extremely helpful.

When the committee went to the west coast, we saw an extremely interesting closed containment hatchery production facility for smolts. More information would be much appreciated.

Gail Ross: We have heard that the US is to bring in regulations by 2022 that will mean that, if we keep shooting seals, we could lose access to a lucrative market that was worth £193 million in 2017. We have also heard that the number of seals that are shot is decreasing, but it was still 49 in 2017. What is the Scottish Government doing to ensure that the number goes down to zero? Is it concerned that we might not get there by 2022?

Fergus Ewing: There are two parts to your question. It is plain that seal predation has long been recognised as a problem for fish farms. I am pleased that the industry is managing matters in such a way that the number of licences and the number of controls are reducing, as Gail Ross said.

It is relevant to say that technology can play and is playing a part—sonar devices are being used to scare off seals. The use of technology is an exciting part of aquaculture that offers opportunities for economy and for doing things that everyone agrees would be terrific, such as eradicating the need to control seals.

Gail Ross referred to the impending deadline that the USA has imposed. My officials are looking at the issue carefully in order to understand exactly what the requirements mean and to consider how to deal with them. There will be parliamentary traffic on such matters, and I agree to report back to members when we have made substantive progress. I do not know whether we can say anything more specific at this point.

Mike Palmer: We can confirm that we are in proactive discussions with the Department for Environment, Food and Rural Affairs and the European Union and that we intend to speak to the US authorities this summer, in the margins of the North Atlantic Salmon Conservation Organization conference that will take place in Maine, in the US. We are doing that to better understand the exact extent of the regulation and how it might affect Scotland. There has been quite a process of securing absolute clarity on the exact impact, planning for that and ensuring that Scotland is ready for whatever the impact of the regulation will be.

Alastair Mitchell: We are conscious that we are not alone. Other aquaculture nations that produce Atlantic salmon—Norway, Canada and Chile—have similar concerns. We are in dialogue with them so that we are all comfortable with what the US regulations mean.

Gail Ross: The cabinet secretary mentioned the use of acoustic deterrent devices. How are they regulated in Scotland?

Fergus Ewing: Such devices have been used for many years to deter seals from attacking fish farm cages, which is a good thing. That has played a part in the reduction in the number of seals that have had to be controlled. Since licensing was introduced, in 2011, the number of seals that are controlled under licence has reduced by 80 per cent. However, research suggests that some ADDs might result in a significant disturbance for particular cetacean species. Therefore, in terms of regulation, Marine Scotland science has been asked to review the science with a view to providing advice that will inform future policy on the use of such devices.

John Mason: On the subject of accreditation, we had a video conference with the Aquaculture Stewardship Council and it told us that just one farm was accredited in Scotland. We have since learned that there were issues to do with freshwater farming; Marine Harvest told us that it was going to try to work through those issues.

I am aware of the SSPO code of good practice, Label Rouge, the Global Aquaculture Alliance best aquaculture practices, the GlobalGAP, and the Royal Society for the Prevention of Cruelty to Animals accreditation schemes. I believe that some of the supermarkets also do their own accreditation. I have to say that I find the picture somewhat confusing. If I was out shopping and wanted to buy a bit of salmon, I would not know where to start. Does the Government have a view on accreditation? Where should we be going with that?

Fergus Ewing: I heard previous evidence that suggested that accreditation is somewhat complex and also costly. One of the companies that gave evidence last week mentioned the not-inconsiderable amount of money that it invests in that—and rightly so, because we want to have accreditation to ensure consumer protection and continuing confidence among consumers. Mr Palmer can provide a little more information on that.

Mike Palmer: As I think you heard from the sector last week, there are many different forms of accreditation, and companies in Scotland are signed up to a number of them. The Government has not taken a role in that; it is very much a feature of the commercial relationship between a producing company and the retailers. We as a Government are supportive of accreditation. We always encourage our companies to go beyond the bare statutory minimum and to enhance that through different certification schemes, which is often what the retailers require of the producing companies.

I know that you were not able to attract any retailers to come to give evidence, but I think that you would need to ask them about their logic. One thing that we find interesting about the Aquaculture Stewardship Council certification is that its remit appears to cover interactions with wild fish, including wild salmon. That is quite an interesting aspect of that scheme, which seems to distinguish it from some of the other schemes. We talk to the sector to explore where it wishes to go with such schemes, but we would not prescribe to it about that.

Alastair Mitchell: The one thing that we are involved with is the code of good practice, to which the industry members sign up. Many of the same requirements are at the heart of that code. There are something in the order of 500 different points in it, which are independently audited and form the basis of many of the other accreditations. Charles Allan might want to add to that.

Charles Allan: I will briefly answer your question by asking how you would choose your salmon. You would choose salmon from Scotland first—which has been independently verified as the tastiest salmon.

However, the accreditation schemes seek to provide a differentiation in the market so that, for example, my salmon is different to your salmon because I am accredited under one scheme and you are accredited under another scheme.

There are powers within the legislation—if we see fit to adopt part of or all of an accreditation scheme. Mike Palmer referred to the number of times that accreditation visits take place. Some farmers basically have an entire department for that; every day, somebody is looking at an aspect of their accreditation, whether that is a regulator, a supermarket or a scheme provider.

John Mason: As a consumer, I still think that it is confusing. I absolutely buy Scottish salmon as my first choice, but there can be two or three different kinds in a supermarket and I get confused, so I assume that other people get confused, too.

In an ideal world, there would be one stamp and we could go with that but, given that some of the accreditation schemes are worldwide, do we just have to accept that it is a complex picture and that there will not be one system? From what I understand, the Government is not saying that one is best.

Fergus Ewing: The different measures that Mr Mason described do not all seek to perform the same function. He has a point, but it is probably primarily for the industry to consider.

We are proud of the fact that Scottish salmon has the Label Rouge distinction in France. Also, as you heard last week, the world's expert consumers gathered at the seafood expo in Brussels—which I recently attended—and voted Scottish salmon the tastiest by seven out of 14 for the third year running. We should recognise that our industry is doing something pretty well, given that it gets those accolades and has a commercial premium of 10 per cent or 50p to 60p a kilo. Those are all very good things.

We need to demonstrate the industry's continuing sustainability to remain the top—number 1; the best. That is why the work that we are determined to do with regulators, the industry, scientists and non-governmental organisations to tackle the challenges must be done with absolute determination and the necessary resource. That is what we are doing and will continue to do.

John Finnie: We have had many representations about oversight, which was touched on today. A number of witnesses commended the Norway model, for instance. A range of views has been presented to the committee. We heard from James Withers of Scotland Food & Drink that a more strategic framework and overview of how the industry works would be useful.

The aquaculture industry leadership group has already been alluded to in our discussions. Fisheries Management Scotland says in its written submission:

"The Aquaculture Industry Leadership Group … was discussed in Committee on 25th April. What was not clarified was that the AILG has effectively replaced the Ministerial Group for Sustainable Aquaculture … thereby leaving a significant gap in addressing interactions between farmed and wild fish and the wider environment."

I ask you to comment on that point.

We have a quotation from fishupdate.com—which I must acknowledge I had never encountered before reading the committee papers—which attributes to you this comment made at the fish expo:

"I'm determined to give what leadership I can to make sure that no matter what challenges are thrown at it you double growth …

"Let's do it…let's go Scotland!"

What leadership do you give to the salmon industry, cabinet secretary?

Fergus Ewing: In the speech that I made in Brussels, I said—as I said today—that we have to tackle the challenges to be successful. I say that at every opportunity. Only if we do that will we be able to have the growth that I hope that Mr Finnie would like to see.

Marine Harvest says that, every day, 6 million or 7 million people have a meal of salmon. There are 7 billion people in the world. Many people in poor countries do not have the opportunity that we have—the luxury that we have—to enjoy that nutritious food, which, incidentally, is the most environmentally effective, as it has the lowest carbon footprint.

As far as the AILG is concerned, you have heard from many witnesses that a team Scotland approach is essential. We need to bring people together so that we do not have silo working. On where the group sits in the oversight role, you have heard that we have specific groups doing specific tasks. Mr Hadfield and the chief scientist from Marine Scotland chair a group on fish health. We are setting one up on the possible impacts between farmed salmon and wild salmon, so we are giving the right attention to environmental issues.

However, the purpose of the committee hearings is, in part, for us to attempt to reassess how we are doing. We are open to any constructive policy suggestions about what more we can do. We have already said that we are doing more in several respects. We have heard about the review of sea lice numbers that will take place in July, which Mr Smyth asked about.

The consenting review is taking place, too. This is a most dynamic sector—change is happening rapidly and we have to respond rapidly. I am determined that there shall be sustainable growth—the epithet "sustainable" is an essential part of that.

11:30

John Finnie: Not that it should matter, but—like Mr Mason—I am a regular consumer of Scottish salmon and I value that product. However, that does not take away from any of the questions about this, which it is legitimate for us to ask.

The Fisheries Management Scotland submission states that the aquaculture industry leadership group replacing the ministerial group for sustainable aquaculture has left

"a significant gap in addressing interactions between farmed and wild fish and the wider environment."

Will you comment on that suggestion of a gap?

Fergus Ewing: I do not think that that is apposite because, as I say, we are setting up a group to look at that. I am mindful of Mr Mason's point that the science in this area is not by any means clear cut. Therefore, my view is that, rather than have a ministerial group look at issues where

the key determinants involve complex evidence, we should take a different approach—although, if the committee takes a different view, I will of course be happy to consider it. My view is that although there are roles for ministers in terms of general oversight of policy, ministers are probably not the best people to chair highly technical groups where the requirement is to compile a literature review and to analyse it in detail.

Mr Hadfield is co-chairing a group because, as well as being an industry leader, he is a marine scientist. It is a case of horses for courses and I assure Mr Finnie that we have the right approach, which is an inclusive, open approach that uses the right people to consider the right topics for analysis. So much of this is based on science that—rightly—scientists are co-chairing or chairing or are involved in the various groups that are considering important environmental matters.

Peter Chapman: My question is about Government leadership, what the Government can do to help this industry to grow and where it should grow. Given what we know now, I think that we all agree that some salmon farms are in the wrong place. To be fair, some salmon farms shut down because they were in the wrong place, such as in the mouth of a salmon river or whatever.

I am looking for a strategic overview from the Government as to the correct places to expand this industry and, maybe, the wrong places to expand it. Some work has been done—I have a map from 2013 that shows the work that was done. The different colours on the map show whether somewhere is a good place to expand or not such a good place to expand. That work was funded by the Government, but it was done by the Rivers and Fisheries Trusts of Scotland—RAFTS. Unfortunately, it appears that the funding for that work has now ceased and nothing has been done to update that information since it was produced in 2013.

I believe that there should be a strategic overview from the Government as to areas where we would like to see more expansion and other areas where that would not be satisfactory. That could be similar to the traffic light system that they have in Norway, whereby if you are in a green area, you can go ahead and expand, but if you are in a red area, there is no way that you can expand further in it. I am looking for a strategic overview of where we would like to see expansion and other areas where maybe we should draw back. Why is the Government not continuing that work? Obviously, some work was done but nothing has happened since 2013.

Fergus Ewing: Mr Chapman started off well and I agreed with much of what he said at the beginning. Some salmon farm locations have been moved, for precisely the reasons that Mr Chapman mentioned, and a lot of work has been done on that. Where I would respectfully disagree is with the suggestion that that work came to an abrupt halt. That is not the case and Mr Mitchell is about to explain why.

Alastair Mitchell: I think that the map to which Mr Chapman refers is from a project called MIAP—the managing interactions aquaculture project—which was done at that time. The work was completed and that was the output.

Within Marine Scotland science, we have been working on heat maps, which essentially take that work to another level. That work is highly complex; it gives a relative value to particular locations and the opportunity that exists for growth in that area based on a whole range of criteria, including the number of farms that are already there and many other criteria.

To address the issue from a slightly broader perspective, we definitely see an opportunity for innovation. The map evidences the fact that higher-energy locations further out provide a greater opportunity in that respect. Ben Hadfield said that Marine Harvest has been consolidating and using bigger, more efficient sites in higher-energy locations. That is a development that we would look to support, but it will require innovation in the technology and the equipment, as well as larger smolts.

Recirculation hatcheries have been touched on. Ideally, using bigger smolts in such locations will reduce the time that farmed fish spend in the open sea, which, crucially, will reduce the interaction with wild fish, the sea lice burden and the disease risk. There is a virtuous circle that can be introduced. From a strategic point of view, that is the kind of territory that we want to get into.

Peter Chapman: I am pleased to hear that that work is still going on. Can we look forward to a new, updated map along the same lines? Such work would certainly help the planning process—it would help the planners to direct expansion to the correct areas, which is what we all want.

Alastair Mitchell: It is absolutely the intention that that work helps to inform planning around the country. Indeed, it will form part of the consenting review, as part of which we will look at how all of that fits together as a jigsaw.

John Finnie: A few members of this committee, along with some members of the ECCLR Committee, were fortunate enough to meet the Norwegian fisheries minister. We are talking about a global market, in which Norway is a significant competitor. Has the Scottish Government made any assessment of the approach that has been taken in Norway to the salmon industry? Are there any lessons that we could learn?

Fergus Ewing: We consider various aspects of the Norwegian industry, which has been a terrific success story. It operates at a much higher level of production, and it does so sustainably. However, it is not all one way. For example, the committee heard from one of its witnesses that our regulatory framework in respect of the use of treatments was pioneering.

As we have heard today, we might have more to learn from Norway in respect of transparency in sea lice reporting. We look at what Norway does in specific areas quite a lot, and our scientists are working with their counterparts in Norway. In addition, there is a quadrilateral forum that enables officials from the four big salmon-farming nations to get together. I think that Mr Palmer alluded to that joint working in relation to the USA issue.

Mr Finnie raises an important point. I would love to have a trip to Norway, but given how often I appear before the committee, I am not sure when the opportunity will arise. When the diary permits, I hope to go to Norway and learn a lot.

The Convener: I have had to fend off requests from committee members who want to go to Norway, so I am not sure that I am in a position to do anything about you making a trip to Norway, cabinet secretary.

Gail Ross: SEPA has written to the ECCLR Committee about the proposed changes to the depositional zone regulation. The issue is one that Alastair Mitchell touched on in his answer to Peter Chapman, in that the proposals will allow fish farms to be bigger and to be located away from sensitive areas and further away from the coast.

What do you think are the main advantages and disadvantages of the proposals? How will the changes to the regulation affect Marine Scotland's ability to regulate the health and the sea lice burden of farmed fish?

Alastair Mitchell: In general terms, what is proposed represents more of an advantage than a disadvantage, which is why we support the direction of travel.

Fish farms in higher-energy locations require better technology, the fish that go in the pens need to be bigger and more robust and, as Ben Hadfield mentioned in his evidence to the committee, the health and safety challenges for the human operatives in such locations have to be taken into account. However, the substantive advantages are that the time in the marine environment is shorter and the interaction with wild fish is reduced.

The shorter time in the marine environment grow-out phase means, in basic terms, less disease and fewer sea lice. The holy grail is to get to a year or less in the marine environment, because there is a moment in the second year in that environment when many of the issues accelerate. Therefore, if we can move to a shorter time, there will be commensurate benefits that will allow the sustained expansion that people have talked about.

Gail Ross: What are the current challenges to that move?

Charles Allan: The biggest challenges are technological and engineering challenges. It is a big engineering challenge to move a structure into absolutely open, exposed water. Although the industry is moving to more exposed areas, it is not yet operating in fully open water. It requires oil industry-style engineering to retain integrity in a fully open environment.

Gail Ross: Can you make any educated guesses about the timescale?

Alastair Mitchell: It is happening now incrementally. The cabinet secretary mentioned the growth that is taking place in the small isles, which are a higher-energy location, albeit that that is happening in the lee of some of the islands. Fish farming is expanding in parts of Orkney, and I doubt whether that would have been possible 10 years ago.

It is a moving feast. The Norwegians are taking more of an open-sea approach, but it is at a very early stage. They are spending inordinate amounts of money on research and development to take them there. We do not have the scale in Scotland to support the level of investment that they are talking about, which, in strict research and development terms, is hundreds of millions of pounds.

The Convener: Mike Rumbles will ask about the subject that we saved from earlier on.

Mike Rumbles: Good morning. I do not want to put words in your mouth, cabinet secretary, but I think that we would all agree that having an effective regulatory regime is essential to having a successful, high-quality industry, which is what we all want. One witness—a producer from Shetland—said that, when he set up his fish farms, there was a lot of regulation. He had to get five different licences, so there is effective regulation relating to the setting up of fish farms. However, another witness told us that the industry is actually self-regulating because, once a fish farm is up and running, there is no regulation.

Do you accept that the complexity of the regulation—including the gaps, which are caused by the fact that the different regulators all have their own big jobs to do—is a concern? Could the lack of a comprehensive regulatory system be a constraint on the growth of the industry? Having

such a system would enable the success that everybody wants to see.

Fergus Ewing: Mr Rumbles makes a lot of good points, and I do not think that he inserted any words in my mouth.

We have a regulatory regime that is held in high regard internationally and has a high degree of statutory underpinning. If we did not, I do not think that we would have got the Label Rouge, the various accolades or the premium that I have mentioned. However, we cannot rest on our laurels.

I am always keen to review and reduce the regulatory burden, wherever possible, if it is disproportionate and does not accord with the principles of better regulation as set out by the better regulation group, of which Mr Rumbles will be well aware. There are a number of regulators. I think that Mr Graham said in his evidence last week that that was the number 2 constraint, after the challenges that we have rightly focused on today. Equally, we want to make sure that, when it comes to transparency and sea lice control, we have robust levels of regulation.

11:45

To move from the current four or five-layered approach to a simpler regime is not a straightforward matter. It might be desirable but, in practice, it would be somewhat difficult to achieve. The primary task at the moment is to focus resolutely and forensically on tackling the particular challenges that are rightly occupying our time, but I am also sympathetic to trying to have a consenting regime that gets the best results—which provides sustainable aquaculture and does not take forever to navigate or involve disproportionate expense or complexity.

Mr Rumbles's question is a fair one, and we are certainly keen to see what emerges from this committee's inquiry and the ECCLR Committee's inquiry, which will inform our future approach. However, we have already indicated in several ways what additional things we are already doing or are about to do that abut on the regulatory issue.

Mike Rumbles: When we had the regulators in, I asked SEPA—whose role in the process was criticised quite starkly by the ECCLR Committee—about the issue. To be fair to SEPA, it said that it was operating within the rules that were set down.

I do not think that anybody is talking about setting up a new regulator to regulate the whole industry, but would it not be best to give SEPA a different framework to work within—in other words, to give it a lead role that would enable it to co-ordinate the other regulators around it?

I do not want to pre-empt other members, but I do not think that we are talking about recommending a new regulator. However, we think that there is a gap there, which will be a constraint on the industry, and we want the industry to succeed.

Fergus Ewing: I am sympathetic to that. If you think about it, the planning authorities are there to issue licences and planning permissions, while SEPA is there to protect the environment; they have different functions. It is not an easy matter, but I am instinctively attracted towards a simpler model, if it is possible to achieve that. However, that is not the main priority for me; the main priority is tackling the challenges.

The other thing that I would say is in relation to the notion that, somehow, it is all voluntary at some point. I do not think that that is quite correct. I was thinking about this in the light of having heard some of the previous evidence. It seems to me that regulations exist to make sure that fish farms are located in suitable locations, having regard to the mean characteristics and the perceived impacts on the environment. In some cases, applications are refused, to protect the environment, and rightly so.

The SEPA regulations exist to enable good practice to be monitored and controlled but, of course, the farms themselves have to manage their day-to-day activity. In that respect, the process is voluntary, but that does not mean that the regulations do not apply—they do. For example, if the levels of sea lice exceed a certain level, farms have to report them. They also have to continuously observe, implement and obtemper regulations. There is a duty to do specific things such as reporting, and there is a duty to abide by good practice, which continually exists.

I do not think that it is correct to say that a huge swathe of fish farm management is completely unregulated; it is regulated, but at some point we have to let the managers get on with their jobs on the basis that they have—as we do—an interest in pursuing the highest standards of sustainability. They have an economic interest in minimising problems as well.

Richard Lyle: The question that I was trying to ask earlier was not about regulation. The Government regulates, local councils regulate, SEPA regulates, HIE regulates, Marine Scotland regulates, and the Crown Estate can regulate. We have not discussed the point that I was trying to make earlier. I would like your view on it, because I did not get the salmon producers' view on it, although some of them privately said yes. Should we not have a sole agency to take the Scottish salmon industry to the next level? Why should we not have one agency to which they can go?

Fergus Ewing: Provided that the sustainability challenges can be met, I think that it will be possible for the industry to develop and grow, and I do not think that the lack of a single agency is a blockage that will prevent that from happening. I am attracted to the idea in theory but, in practice, as I pointed out in my previous answer—I hope that I made the point reasonably clearly—the regulators do different jobs. It might be simpler to have one fresh regulator, but SEPA does a job across the whole of the environment and has a group of experts who assist it in that task.

I should say that SEPA's remit is a matter for the Cabinet Secretary for Environment, Climate Change and Land Reform, and I should defer to her in that regard; the issue does not fall within my direct purview. Although I am attracted in principle to the idea of a one-stop shop, I think that in practice it would involve dismantling the whole framework of planning and regulation in the country.

Rather than pursue such an approach immediately, we should focus on the task in hand of the consenting review, the wild fish interactions working group and the farmed fish health framework. As we do that over the next 12 months, I am reasonably confident that we will continue to see the improvements about which the committee heard last week, which are coming through as a result of massive investment by our companies.

We want to bring the standard of the lowest up to the standard of the best, we want to continue the investment in science and the work of SAIC, which is crucial to Scotland's success story, and we want to try out and invest in innovative methods, as is happening in Norway—that is something that we have perhaps not touched on. In doing so, we must, as always, be guided by a robust approach to protecting the environment.

The Convener: I think that Graeme Dey has a question.

Graeme Dey: Thank you, convener; it is just an observation. Although, on one level, reducing the number of regulators is an attractive idea, there is a jurisdictional issue, which goes beyond ministerial portfolios. The body that regulates the transportation of dead fish, which is attracting a lot of negative publicity—and rightly so—is a UK Government agency. I think that I am right in saying that.

Fergus Ewing: You are correct. The Animal and Plant Health Agency has the regulatory role in respect of the transportation issue. You are right to raise the issue in the context of this discussion; APHA is an additional regulator, which we have not mentioned.

Jamie Greene: Our evidence taking is drawing to a close, and it strikes me that the committee will have a difficult task when it comes to trying to summarise what we have heard. There is a lot of good will across the board about ensuring that the industry has the opportunity to grow in the way that we all want it to grow, but it is clear that there are a lot of voices out there that are expressing a wish for growth to happen in a planned, measured and sustainable way that benefits the communities in which the industry operates and the environment.

We have taken a lot of evidence about Norway, given the similarities between the industry there and our industry. A striking difference is that the Norwegian Government takes a much more top-down approach. The Norwegian aquaculture act, the set-up of geographic areas with a traffic-light system, and the way in which licences are issued and the industry is regulated represent an approach that is very different from how we do things in Scotland, and over the past decade the industry in Norway has experienced much more growth than our industry has done.

What are the key lessons that we could learn in that regard? What approaches has the Scottish Government considered, which it might adopt as policy, to enable the industry to grow? The committee hopes, at least, to summarise the evidence that we have heard. What areas should we concentrate on, to ensure that the Government takes a much bigger role in the industry in future?

Fergus Ewing: The Government plays a major role in providing leadership. The industry leadership group, which the Scottish Government attends, brings together the public and private sectors on a team Scotland basis. One of the advantages of Scotland's size is that we can bring people into a room and work together with good will to devise the best ways to tackle complex problems. That is an approach that we use across the board, and rightly so. We have an advantage in that regard.

In the consenting review, we will consider the balance between local and national approaches. However, we also need to consider local democracy. We cannot dictate to local planning authorities what they do—I am not sure whether that is what is being suggested; I do not think that it is—but we also legislate, which is a top-down approach. We have heard about much of the legislative framework from Mr Allan.

We also work vigorously to promote the food and drink sector. It is perhaps the fastest growing sector, and salmon is the most important food component of it in export terms. I personally attend events in Brussels, as I did recently, trade fairs and shows to promote Scottish salmon and high-quality Scottish food and drink.

We do a lot, but Mr Greene is correct to identify that there might be opportunities to learn. Mr Mitchell made a telling point when he addressed why the reporting regime is not as up to date as it is in Norway. He alluded to the enormous investment that Norway has made; it would be interesting to find out how enormous that investment was. It is plain that there is a resource issue. I should not mention that Norway has an oil fund, which is worth £1 billion—or is it £1 trillion? I am sorry—it is so large that I forget. It allows money from oil to be invested in diversification. That makes it easier to find the money to do the things that Mr Mitchell referred to.

To go back to specifics, Norway has a green licence system, in which the fee is reduced for companies that trial new technologies, such as closed containment, as a way of dealing with sea lice or other challenges. A lower fee is one example of how we could incentivise innovative suggestions and models for best practice and the environment or the trialling of new methods and technologies. I am keen to adopt such levers in Government.

Rather than make general statements that Norway is brilliant and Scotland is not, if the committee could identify specific examples from Norway from which members believe that we could learn more, I will of course be happy to follow those up. That might justify my trip to Norway as well.

Jamie Greene: That leads nicely into my final question, which is on a specific thing that Norway does differently from Scotland.

In Norway, licences are issued in tranches at a fixed price and via an auction process. That generates substantial amounts of revenue for the Norwegian Government, the lion's share of which is devolved to the coastal communities that it benefits. Around 80 per cent of the revenue goes to the coastal community municipalities.

Has the Scottish Government given any thought to introducing some form of auction process for licences, which, as in Norway, would not only benefit large operators with deep pockets but allow smaller, newer producers and operators to participate? What thought has it given to how that might be achieved by regulation or legislation?

Fergus Ewing: At the convener's behest, I will give a short, two-sentence answer. Yes, we have considered the matter on the aquaculture industry leadership group. Yes, we shall consider it further in the consenting review.

The Convener: That draws to an end our sixth evidence-taking session in the salmon aquaculture inquiry, which comes on top of two evidence-taking sessions by the Environment, Climate Change and Land Reform Committee, the excellent report that that committee produced and the visit that this committee made to a fish farm and a wild fishery on the west coast.

There seem to be some areas of common ground. I am trying to work them out. Both sides accept that there are hazards with the operations—hazards not only to the environment but to fish—that need to be managed. The fish farmers accepted that there were some environmental problems and that new science might be the way forward. There seems to be agreement by both sides that the effect on the environment needs to be minimised.

12:00

I would like to quote Ben Hadfield, who has been quoted extensively during today's discussion. He said that farmers have a "moral responsibility" to get it right. As we sit down to write our report, we have a moral obligation as a committee to consider all the evidence that we have been given, not only in committee but in the written submissions. That evidence has been quite excellent and, in some cases, very detailed.

The committee would welcome getting the information from SEPA regarding the sector framework that we are looking forward to receiving. The sooner we have that, the more thoroughly we will be able to consider it in our report.

The cabinet secretary mentioned other activities that he is leading regarding the farmed fish health framework. If consideration of that could form part of our report, it would allow us to consider the whole industry and the whole issue in the round.

We have finished our evidence taking. The difficulty now will be in producing the report. I am sure that, as a committee, we look forward to producing it. I thank the cabinet secretary for the evidence that he has given today, and I thank Charles Allan, Mike Palmer, and Alastair Mitchell for their evidence.

I suspend the meeting to allow the witnesses to leave.

12:01

Meeting suspended.

12:04

On resuming—

Subordinate Legislation

Plant Health (Scotland) Amendment Order 2018 (SSI 2018/112)

Common Agricultural Policy (Miscellaneous Amendments) (Scotland) Regulations 2018 (SSI 2018/122)

The Convener: Item 4 is the consideration of two negative instruments, as detailed on the agenda. I advise the committee that no motions to annul have been received in relation to either of the instruments.

I will just make a comment before I ask whether the committee wishes to make any recommendations. I am disappointed that the policy note that goes with the common agricultural policy Scottish statutory instrument is longer than the SSI that it purports to support. I know that there might be reasons for that, but all I have ever asked is that there are short briefings so that policy can be understood. I know that that might entail producing a separate bit of paper, but I have to say that producing a briefing on an instrument that is longer than the instrument itself raises a question.

Stewart Stevenson: I want to put a slightly different view. I have just done a quick check. There are five pages in the policy note and seven pages in the SSI. There are 120 lines in the policy note and 240 lines in the SSI, and the font size in the policy note is two points larger than the font size in the SSI.

I do not want to detract from the general point that policy notes should be clear. There is a general issue—the convener is absolutely correct about that and I support him in raising it. However, in this particular case, because the SSI inserts things into other instruments, it is not possible to understand it without a policy note that explains what is being inserted where, so the point might not be as justified as it often is in other cases.

The Convener: I now declare my interest as a farmer and a rural surveyor with 15 years' practice. The fact that the policy note was difficult for me, as someone with 15 years' experience, to understand says something about it.

The only other comment that I would make is that sometimes pages, font sizes and lines do not add up to the same as word count. I will leave it there. I think that shorter policy notes need to be produced so that people can understand them.

I will move straight to the question. Does the committee agree that it does not wish to make any recommendations in relation to the instruments?

Members *indicated agreement.*

The Convener: The committee will now move into private session.

12:07

Meeting continued in private until 12:27.

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